

FBIS

DAILY REPORT

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Eastern Europe

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DISSIDENTS ISSUE COMMUNIQUE ON 1956 EVENTS

WA281411 Paris LE MONDE in French 22 October 1986 p 6

[Joint communique signed by Hungarian, Polish, Czech, and East German dissidents adopted 23 October]

[Text] Thirty years ago, on 23 October 1956, workers, students, and soldiers launched an attack on the Budapest radio station building because they had enough of official lies and wanted to hear the truth and express their own demands. They destroyed the statue of Stalin and the credibility of a regime which claimed to represent the dictatorship of the proletariat and the people's republic. Their struggle showed clearly that what the Hungarian people really wanted was independence, democracy and neutrality. They wanted to live in peace in a decent and free society.

The Hungarian revolution as well as the East Berlin uprising, the Prague Spring, and the social movement of the free trade union Solidarity in Poland were suppressed, either by Soviet intervention or by local armed intervention. During the past 30 years, life has become easier for many people, and some can express themselves without being thrown into prison. But the essential demands of the revolutionaries have not been satisfied.

On this anniversary, we call on all our friends in the world to join us to commemorate the 1956 Hungarian revolution. We proclaim our common determination to struggle for political democracy in our countries, for their independence, for pluralism founded on the principles of self-government, for the peaceful unification of a divided Europe and for its democratic integration, as well as for the rights of all national minorities. We emphasize our mutual reliance on the efforts of all of us to achieve, in our countries and in the whole world, a better life that is free and decent. The tradition and the experiences of the Hungarian revolution of 1956 remain our common heritage and our inspiration.

Berlin, Budapest, Prague and Warsaw, 23 October 1986.

The signatories:

Hungary: Ivan Baba, Peter Bokros, Geza Buda, Sandor Csoori, Istvan Czurka, Gabor Demsky, Olga Dioszegi, Istvan Eorsi, Gyorgy Gado, Arpad Gooocz, Cuba Goocho, Bela Gooda, Judit Gyonos, Aliz Halda, Miklos Haraszti, Janos Kenedi, Zsolt Keaztbehyi, Janos Kis, Karoly Kiszely, Gyorgy Konrad, Ferenc Koszeg, Gyorgy Krasso, Zsolt Krokovay, Gabriella Lengyel, Sandor Lezsak, Fruzsina Magyar, Imre Moca, Miklos Mbazbly, Tamas Mikos, Tamas Molnar, Andras Nagy, Jano Nagy, Tibor Pakh, Robert Palinkas, Gyuala Perlaki, Gyorgy Petri, Sandor Racz, Sandor Radnoti, Laszlo Rajh, Laszlo Rusal, Ottilia Solt, Miklos Sulyok, Jeno Szell, Sandor Szilagyi, Pal Szalai, Jozsef Talata, Gaspar Miklos Tamas, Mihaly Vjda, Judit Vasarbelyl, Miklos Vasarhelyi.

Czechoslovakia: Rudolf Battek, Vaclav Benda, Jan Carnogursky, Jiri Dienstbier, Miklos Duray, Jiri Gruntorad, Jiri Hajek, Vaclav Havel, Ladislav Hejdaneek, Eva Kanturkova, Jan Kozlik, Miroslav Kusy, Ivan Lamper, Ladislav Lis, Vaclav Maly, Anna Marvanova, Martin Palous, Jiri Rumi, Jaroslav Sabata, Anna Sabatova, Libuse Silhanova, Milan Simocka, Prantisek Starek, Petr Uhl.

Poland: Konrad Bielinski, Marian Brandya, Jacek Czaputowicz, Marek Edelman, Jacek Fedorowicz, Jan Aprzej Gorny, Janusz Grzalak, Zbigniew Janas, Jan Kielanowski, Wiktor Kulerski, W. Kunicki-Goldfinger, Zofia Kuratowska, Jacek Kuron, Jan Jozef Lipski, Jan Litynski, Barbara Malak, Wojciech Maziarski, Adam Michnik, Leszek Moczulski, Piotr Niemczyk, Zofia Romaszewska, Zbigniew Romaszewski, Krystyna Starczewska, Stefan Starczewski, Aniela Steinsbergowa, Klemena Szaniawald, Jacek Szymanderski, Henryk Wujec.

GDR: Martin Bottger, Barbel Bobley, Reiner Dietrich, Werner Fischer, Peter Grimm, Monika Haeger, Ralf Hirsch, Herbert Misslitz, Lutz Nagorski, Gerd Poppe, Ulrike Poppe, Wolfgang Ruddenklau, Sinico Schonfeld, Regina Templin, Wolfgang Templin, Mario Wetzky.

MTI REPORTS OPENING OF CEMA OIL SESSION

LD282312 Budapest MTI in English 2004 GMT 28 Oct 86

[Text] Budapest, October 28 (MTI) -- The session of the expert committee of the CMEA Oil Industry Standing Committee began Tuesday in Szirak. Participants from Czechoslovakia, Poland, the GDR, the Soviet Union and Hungary are to sum up experiences and findings attained so far in the exploitation and safeguarding of petroleum and natural gas underground storage in loose soil. Since the middle of the 1970s, Hungarian oil industry experts have intensively dealt with methods of securing and increasing underground gas storage, and have attained internationally acclaimed yields and results.

CEMA NICARAGUA COMMITTEE MEETS IN BUDAPEST

LD242100 Budapest MTI in English 1805 GMT 24 Oct 86

[Text] Budapest, October 24 (MTI) -- The CMEA-Nicaragua Cooperation Joint Committee held its 3rd session in Budapest from October 22 to 24. Representatives, and experts of the CMEA member states and the Republic of Nicaragua attended the session. Imre Dunai, deputy minister of foreign trade and Hungarian representative, was chairman of the session. The conference reviewed the state of implementing resolutions and recommendations approved at the previous session, and the development and prospects of economic-technical cooperation between the CMEA member states and the Republic of Nicaragua. They coordinated measures aimed at further extending many-sided cooperation in the fields of training Nicaraguan experts, and developing trade. The joint committee decided to hold its 4th session in Managua in 1987.

CEMA HEALTH BODY MEETS IN WARSAW

LD242249 Warsaw PAP in English 1836 GMT 24 Oct 86

[Text] Warsaw, Oct 24 -- Chairman of the Council of Ministers Zbigniew Messner received today participants in the 17th session of the CMEA Commission for Cooperation in Health Protection. Vice-Premier Zbigniew Gertych also took part in the meeting. Also present were ambassadors of the states participating in the work of the commission.

SERIES OF STRONG EARTHQUAKES RECORDED 27 OCT

LD281156 Belgrade TANJUG Domestic Service in Serbo-Croatian 1028 GMT 28 Oct 86

[Text] Titograd, 28 Oct -- The ground in the earthquake region of Pellg i Drinit Bay in neighboring Albania has not yet settled. After two powerful earthquakes last night measuring between 6 and 7 degrees on the Mercalli scale -- the first at 2332 and the second 12 minutes later -- instruments at the seismological institute in Titograd recorded a series of six fresh tremors. All were registered as having their epicenter in the same region, 70 km south of the Montenegrin capital, though their intensity did not exceed 4 degrees on the Mercalli scale. The last in this series of tremors was recorded at 0800 this morning.

ALIA GREET'S TURKEY'S EVREN ON NATIONAL DAY

AU290903 Tirana ATA in English 0730 GMT 29 Oct 86

[Text] Tirana, October 29 (ATA) -- The president of the Presidium of the People's Assembly of the People's Socialist Republic of Albania, Comrade Ramiz Alia, sent the following message of greeting to the president of the Republic of Turkey, Kenan Evren: "On occasion of the national day of the Republic of Turkey, it is pleasure for me, on behalf of the Albanian people, the Presidium of the People's Assembly and in my name, to send you and through you, the friendly Turkish people, the cordial greetings and best wishes for well being and prosperity. I am convinced that the relations of friendship and cooperation between the People's Socialist Republic of Albania and the Republic of Turkey will develop constantly to the common benefit of our two peoples and in the interest of peace and security in our region."

CANADIAN, 'AZANIAN' GUESTS ARRIVE FOR CONGRESS

AU281215 Tirana ATA in English 1010 GMT 28 Oct 86

[Text] Tirana, October 28 (ATA) -- At the invitation of the CC of the PLA the delegation of the CP of Canada (M-L) headed by the first secretary of its Central Committee, Hardial Bains, yesterday arrived in our country to attend the proceedings of the 9th Congress of the PLA and the celebrations of the 45th anniversary of its founding. The friend from Azania, secretary for foreign affairs of the PAC [Pan African Congress], Gora Ibrahim, [spelling as received] arrived also in our country to attend the proceedings of the congress and the celebrations of the 45th anniversary of the PLA.

To welcome them at the airport were the secretary of the Central Committee of the party, Vangjel Cerrava, the director of the foreign department of the Central Committee of the party Agim Popa, the vice minister of foreign affairs of th PSR of Albania, Muhamet Kapilani, and other comrades.

INTERNATIONAL WRITERS MEETING OPENS 28 OCTOBER

AU281040 Sofia BTA in English 0811 GMT 28 Oct 86

[Text] Sofia, October 28 (BTA) -- The Sixth World Writers' Meeting opened in Sofia today. Taking part are nearly 200 authors from 60 countries. The participants elected Brazilian fiction writer Jorge Amado honorary president of the forum. The prestigious meetings in Sofia have always been presided over by great literary masters: Herve Bazin, Rafael Alberti, Miguel Otero Silva, James Aldridge, Erskine Caldwell.

Opening the meeting, Mr Lyubomir Levchev, president of the Bulgarian Writers' Union, called on his colleagues from all parts of the world to start a heart-to-heart dialogue on the crucial problems facing mankind. "Let us talk, and let life talk through us, so that war could keep silent," Mr Levchev said.

In his greetings address, Mr Todor Zhivkov, secretary general of the CC of the BCP and State Council president, expresses the conviction that in Sofia the voice of the writers for peace and understanding, familiar from their works, will be raised in an urgent call in defence of the supreme weal and right of man and mankind, the right to life. The address stresses the topicality of the meeting's traditional motto, "Peace -- the Hope of the Planet", particularly so in the U.N. -declared International Year of Peace.

Very attentively, the participants heard the replies of Mr Mikhail Gorbachev, Mr Rajiv Gandhi, Mr Ronald Reagan and Mr Todor Zhivkov to the writers' forum, in which they set forth their vision of the future of the planet and human civilization.

Zhivkov Message

AU280937 Sofia BTA in English 0827 GMT 28 Oct 86

[Text] Sofia, October 28 (BTA) -- Mr Todor Zhivkov, secretary general of the CC of the BCP and president of the State Council, has sent a greetings address to the Sixth World Writers' Meeting in Sofia in which he points out that the traditional meetings in Sofia have become a forum of some of the best masters of the pen of scores of countries and of the ever vigilant conscience of the writers. Their humane, vivid and talented works voice the will of the soberly minded mankind to defend peace and life, human culture and civilization and man's sacred right to struggle and work for his and his children's wellbeing and happiness.

The traditional motto of the meeting "Peace -- the Hope of the Planet" is as topical as ever, the address reads. In the year declared by the UN as an International Year of Peace, the threat of a thermonuclear catastrophe is still impending the world and the struggle for peace is being stepped up. Mr Todor Zhivkov points out that the Reykjavik summit has shown how difficult and how urgent the choice of the only reasonable way to peace is. The Soviet Union has once again categorically confirmed that it is for peace, for understanding, for reductions in armaments and for the doing away of the threat of a nuclear catastrophe. Progressive mankind solidarizes with this stand for building a world free of nuclear weapons, free of confrontation and hostility, a world without armed conflicts.

By way of conclusion the address expresses the conviction that in Sofia the voice of the writers for peace and understanding known for their works will be raised categorically in defence of the supreme right of man and mankind -- the right to live.

Statesmen's Messages

AU271830 Sofia BTA in English 1444 GMT 27 Oct 86

[Mikhail Gorbachev, Rajiv Gandhi, Ronald Reagan and Todor Zhivkov to the Sixth World Writers' Meeting" -- BTA headline]

[Text] Sofia, October 27 (BTA) -- On August 4, 1986 the organising committee of the Sixth World Writers' Meeting in Sofia, "Peace--the Hope of the Planet", sent the following letter to outstanding state leaders and politicians of the modern world:

Now that the 20th century is running out like the blood of so many human victims who died in the most terrible world wars in history,

Now that the great humanistic ideas of this 20th century are spanning bridges of hope and confidence into the next millenium,

Now, that we are living in constant fear as the target of so many nuclear and "classical" means of mass destruction in the U.N. declared International Year of Peace,

Please answer us:

How do you see the future of the world? How do you see the future of man and human civilisation?

The traditional International Writers' Meeting in Sofia, "Peace -- the Hope of the Planet", which will hold its sixth meeting in October 1986, is asking you this question.

We thank you in advance for we believe you will not let our writers' appeal remain unanswered.

Identical copies of this letter have been sent to Mikhail Gorbachev, Rajiv Gandhi, Ronald Reagan, Todor Zhivkov and Francois Mitterrand.

The replies will be read at the opening of the writers' meeting and published in full, simultaneously and on equal terms.

Please accept once again our best regards and wishes for peace and prosperity of your nation and of all humanity. Sofia World Writers' Meeting "Peace -- the Hope of the Planet". Coordinator of the organising committee: L. Levchev

The following replies addressed to the Sixth World Writers' Meeting were received, which we publish in the alphabetical order of the authors' names, according to the Bulgarian tradition. Mikhail Gorbachev

The question you want me to answer can be said to be the most significant one today. The question itself is an indication of optimism. We also believe that there will be a future.

The best minds of humanity have always believed in the ultimate triumph of reason as a necessary condition for normal human co-existence. This is a great moral force which enables us, Soviet people, also, to be social optimists.

The future, however, must be secure for all, and the only way I see to achieving that is the extension of the borders of trust between nations and countries. This calls for a new political thinking aimed at solving mankind's global problems and at using its resources and creative powers for peaceful purposes, not for a race in armaments.

The motto of your meeting is "Peace -- the Hope of the Planet". Its noble meaning is very dear to me.

It is precisely this striving that motivates the Soviet concept of guaranteeing security for all, which presupposes arms reduction and disarmament, first and foremost. We have called for heralding the year 2000 with the abolishment of all weapons of mass destruction on earth. For more than a year now, we have not carried out a single nuclear explosion.

Only recently, at the meeting with U.S. President Mr Reagan in Reykjavik, the Soviet side tabled a package of interrelated proposals, carefully balanced to suit the interests of the negotiating parties and the whole world community of states. What is more, on many points we made concessions to the West, counting on a reciprocal gesture by the other side. The core of our proposals is: a 50 per cent cut in strategic arsenals, abolition of all medium-range missiles in Europe, strengthening of the ABM Treaty and a ban on nuclear tests. Had the American side accepted this package of proposals, that would have marked the beginning of a genuine process of abolition of nuclear weapons. Despite some provocative moves by the U.S. Administration and the gross distortion of the content of the Icelandic meeting, the situation in the wake of the Reykjavik meeting still affords a chance of seeking solutions. It is also a signal to all who can and must play their part in favour of detente and disarmament. Our disarmament programme is in everybody's interests.

How do we see the future? We have an ideal to attain. We are building communism, a "truly humane" society, as Marx put it. We firmly believe that we shall succeed in materializing the great humanistic principle bequeathed to us by the founders of Marxism-Leninism. The free development of every one is a condition for the free development of all. This is written in our party programme and it is to this social and humane goal that all our deeds in the economy, politics and culture are subordinated.

We know that, given the existence of different social systems, our ideals and concepts of the future are not to everybody's liking. People also have a different understanding of social values. But these problems should be discussed without hypocrisy and speculation, without attempting to press your views on others; they should be discussed with the understanding that the world is diverse and controversial and that each state, nation or society is entitled to free choice and to having that choice respected by others.

The Soviet Union attaches prime importance to man's versatile development and to guaranteeing his rights. We are doing our utmost to make our people's life morally richer, more meaningful.

People sometimes ask themselves what literature and art can do in our thermo-nuclear age. In my view, they can do a great deal; most important of all, they can help create a moral atmosphere in which the arms race and the instigating of military psychosis would be considered a crime against the people's right to live.

The preservation, through concerted efforts, of the intransient values of the past, the protection of culture against impoverishment under the pressure of commercialism and the cult of violence, against its pervasion by the demoralizing ideas of racism and hatred of mankind, the promotion of all-embracing cultural exchange and contacts, and the affirmation of the ideas of peace and friendship through art; do not all these questions deserve the utmost attention? A writer can do a lot, if his writings are honest, sincere and full of love for man.

Now is the time for bold and responsible actions in the interest of the entire world, and this pertains to all peoples, to all continents.

I take this opportunity to extend my best wishes to the participants in the meeting.

The will to survive and the search for eternity are inbuilt in human society.

The advancement of civilisation has been based on the creative urges of the human race borne on these instincts. Indian thought and philosophy recognises the hope and optimism that compels the human spirit to seek higher levels of self-realisation. War and violence run counter to this quest for the growth of mind and spirit.

Human endeavor must therefore be directed towards the establishment of peace; never before has this task assumed the same urgency as today. We have reached a level of technological adolescence that has brought with it the capability of complete self-destruction.

Writers of stature and wisdom, as much as anyone else, have influenced the world and the minds of people since the advent of civilisation. It is an uplifting thought that many of them are committed today to the cause of peace and humanity.

The participants and organisers of the October 1986 Sofia International Writers' Meeting on "Peace -- the Hope of the Planet" have my personal good wishes.

Ronald Reagan

I am pleased to have the opportunity to contribute to this conference of international writers and to share with you my vision of the world over the next forty years.

Thomas Jefferson, the great American political philosopher, architect and president, and, of course, an outstanding writer, once said, "I like the dreams of the future better than the history of the past." His aphorism captures an essential ingredient of the American character: faith despite disappointment, hope in the maw of despair. As you pointed out in your invitation letter, the history of this century is rife with conflict, including two of the most terrible wars ever to scar the face of the earth. But this century has also seen the flowering of forces which offer all of mankind hope for a better life -- a hope for a world founded on transcendent principles of justice and respect for human rights.

How can we achieve the realization of these hopes? As writers, you understand that the truth is no prisoner of time or territory. Because of this fact, the work of writers and artists has much to do with how the tide of history will run. All human beings are endowed with this ability to influence others by this means -- whether it be called the power of ideas, the imaginative gift, or the promptings of the spirit.

Can there be any doubt that the soil in which this ability flourishes best is the rich humus of freedom? Can anyone argue that freedom of expression not only furthers the cause of peace but the betterment of the human condition? True peace rests on respect for the right of man, a willingness to resolve differences peacefully, and an end to the artificial barriers to free communication of people and ideas. The suppression of the writer's voice anywhere in the world undermines that peace. We seek a peace that is more than the absence of conflict. We seek the peace that comes only with the knowledge that, as neighbors, we recognize in each other our rights and duties as human beings, that divine spark of infinite worth, which makes conflict between us unthinkable. The world we seek to build is one where the freedom of the writer and his moral lesson can serve as part of the cement of world peace.

In my recent meeting with General Secretary Gorbachev in Iceland, we came close to a historic agreement to reduce and eventually eliminate nuclear weapons and lay the foundations for a safer and more secure world. We discussed these issues in the context of those conditions which can best guarantee the realization of this dream: the importance of openness, the free flow of people, information, and ideas across borders, and resolving differences through peaceful dialogue and negotiation.

I went to Iceland in order to narrow the differences, wherever possible, between U.S. and Soviet positions and to lay the groundwork for more productive negotiations. While we succeeded in narrowing differences in many areas, much remains to be done.

We will continue to pursue a dialogue and negotiations to build trust and to take even greater strides toward common understanding and cooperation. Our aim is not only to reduce the massive arsenals of weapons which exist today, but to create a world in which the people of all lands are free to govern themselves and to decide their own futures. Americans' national credo is that "all men are created equal". It is this ideal, the ideal of the equality of men and their decisions over their own lives that is America's vision for the future. As our 16th President Abraham Lincoln said: "Why should there not be a patient confidence in the ultimate justice of the people? Is there any better or equal hope in the world?"

You have my best wishes for a successful and productive conference. Bog da vi blagoslovi -- God bless you.

Todor Zhivkov

The organizers of the meeting have asked me the question how I see the future of the planet and its civilization.

Let me tell you straight away that "eternal" as this question may be and however hard all past generations have sought the answer to it, today it affects the whole human race more than ever before and concerns millions of people in the world.

Naturally, it also concerns me as a politician and statesman, as a father and grandfather anxious about the fate of his children and grandchildren. I have no doubts that all sober-minded politicians and statesmen work for the future of the planet. How we will arrange our present-day life and where people will channel their inexhaustive creative energies depend on the future that we are all striving to achieve.

Different concepts argue about the destinies of the world. Which will prove correct? You will agree that there is no better judge than life and history. We will live and see, as the saying goes. No one is blind or deaf to what is good. Let life have its say.

I am confident, however that time works in favour of a society which holds the most favourable opportunities for the material, social and moral emancipation of man, which creates conditions for man to stand upright as its maker and builder, to work and create in genuine freedom.

Man is the measure of everything in this world. Human history and the present day of mass struggle for peace, freedom and social justice affirm that. Famine, illiteracy and high mortality still exist on earth, let alone racial and national conflicts and the fact that mankind has reached the threshold from which it can see its death, its self-destruction.

As you know, the People's Republic of Bulgaria is a socialist country. We are convinced that with every step we attain our ideal of a truly humane society, free from oppression, exploitation and social cataclysms, a society that guarantees to each and everyone the right and opportunity to develop and exercise their diverse talents, to efficiently work and live happily.

That is why it is only natural that our people relate their present and future, the future of the world, to the need to abolish nuclear weapons, to strengthen the climate of confidence, understanding and co-operation everywhere, and a comprehensive programme to achieve this has been proposed by the Soviet Union.

To do away with the danger of war once and for all -- this is today the utmost priority for human destinies. The nuclear war that threatens the world would render meaningless any dreams, hopes and forecasts for the future, because humanity has never had, nor will it ever have a Noah's Ark to keep the torch of life alight after the nuclear flood, to paraphrase the biblical story.

We have a lot to do, many universal tasks are waiting for their solution but this one -- the guaranteeing of the human right to live -- is the most urgent and most important one.

This is the question which is crucial to all humanity. There is only one choice.

I am an optimist. I believe in philosophers, I believe in scientists, I believe in you, writers. I believe in realism and the farsightedness of politicians and statesmen. I believe in thinking humanity, which is agonizingly searching for a bridge towards the future.

To guarantee peace for the people today and in the future, this is a great privilege and a duty for all of us. Humanity can and should be united on this cardinal issue, irrespective of class, ideological, religious or any other differences.

Mother nature has destined that we the people of the earth, and probably the only intelligent creatures in the universe, live on the same planet. It is our duty, both today and tomorrow, not only to keep it peaceful, clean and intact but to make it more and more beautiful -- for us, for our children and grandchildren, and for their grandchildren. That is why let us be united by one idea and one will:

Everybody for peace and peace for everybody.

PORTUGUESE CP'S CUNHAL ARRIVES ON VISIT

AU242018 Sofia BTA in English 1816 GMT 24 Oct 86

[Text] Sofia, October 24 (BTA) -- A delegation of the Portuguese Communist Party, headed by its Secretary General, Dr Alvaro Cunhal, arrived on a working friendly visit here today at the invitation of the CC of the BCP.

At Sofia airport the guests were welcomed by Mr Dimitur Stanishev, secretary of the CC of the BCP, and by other senior party functionaries.

Meets Aleksandrov, Stanishev

AU251940 Sofia BTA in English 1640 GMT 25 Oct 86

["BCP and PCP Further Upgrade Relations" -- BTA headline]

[Text] Sofia, October 25 (BTA) -- Mr Chudomir Aleksandrov, member of the Politburo and secretary of the CC of the BCP and Mr. Dimitur Stanishev, secretary of the CC of the BCP had a meeting today with Mr Alvaro Cunhal, secretary general of the Portuguese Communist Party, and Mr Domingos Lopes, alternate member of the CC of the PCP, who are on a working visit to Bulgaria.

The participants in the meeting, which took place in a friendly atmosphere, characteristic also of the relations between the two parties, briefed each other on the work of their parties.

Special attention was paid to the international situation, which continues to be tense and complicated as a result of the latest actions of the U.S. which, supported by some of its allies, is continuing to accelerate the arms race, to carry out the militarization of space, to continue with nuclear test blasts and is pursuing a policy of neoglobalism in Central America and in other parts of the world.

The participants in the meeting noted the excellent timing of the Soviet initiative at the Reykjavik summit and voiced full support for the broad program of comprehensive proposals, announced by mr Mikhail Gorbachev, that would open the way to achieving progress at the nuclear disarmament talks and would inspire all peace-loving people to fight ever more actively against the threat of war.

The representatives of the two parties expressed their support for all peoples who are struggling against imperialism, fascism, colonialism, neocolonialism, racism and apartheid. The stressed the need to have a united international communist and working class movement, the need of joint actions by Communists and socialist, of all peaceloving and democratic forces in the name of peace and against the plans of the reactionary forces and imperialism.

The politicians expressed their readiness to further promote the fraternal friendship and solidarity between the BCP and the Portuguese Communist Party on the basis of Marxism-Leninism and proletarian internationalism, to the benefit of the friendship between the Bulgarian and Portuguese peoples and the cooperation between the two countries.

EXPLOSION IN SOUTH BOHEMIA: DAMAGE, NO INJURIES

LD281900 Prague CTK in English 1627 GMT 28 Oct 86

[Text] Prague, Oct 28 (CTK) -- Explosives went off in a park in Ceske Budejovice, south Bohemia, today, damaging nearby buildings but causing no injury.

The circumstances of the explosion are being investigated.

GENERAL ENGINEERING BRANCH HAS DIFFICULTIES

AU222233 Prague RUDE PRAVO in Czech 20 Oct 86 p 2

[Vaclav Marek report: "Words Cannot Replace Deeds; on a Topical Theme"]

[Excerpts] The Ministry of General Engineering is fulfilling this year's plan -- but not without problems. Its enterprises and whole economic production units were already lagging in the middle of this year, and the situation has not changed substantially in the third quarter, despite the various measures taken. Toward the end of the third quarter, the production plan for goods was not being fulfilled by 42 enterprises of 8 economic production units, that is by almost one-third of all enterprises managed by the ministry. Even more organizations are not fulfilling the economic sections of the plan.

The total shortfall in the production of goods amounts to Kcs785 million and is the largest in the last few years. If the ministerial branch is nevertheless fulfilling the plan, it is solely because the rest of its enterprises are covering the difference by their efforts.

The directors of nonfulfilling enterprises and the directors general of supraordinated economic production units met on 18 October for a ministerial aktiv meeting to decide how to proceed further. During the meeting some of the nonfulfillers promised to remove if not the whole debt, then at least part of it by the end of the year. However, many participants were unable to promise any brighter prospects. [passage omitted]

Scarcely any of the directors addressing the meeting could blame adverse fate for the failure to fulfill the plan. In that case, why are the enterprises not fulfilling it?

For the umpteenth time, the meeting heard criticism of the insufficient assurance of materials for production; we would gladly produce, the directors said, if only we had the wherewithal. Regrettably, this is an old-new problem which we really have been unable to resolve to any substantial extent. But the aktiv's deliberations showed that this obstacle is not insurmountable. The interesting thing is that the reserves of material are constantly growing in this branch. Actually, the shortage of specific materials and parts can be traced back primarily to shortcomings in management. None of those who spoke in the discussion would deny that the development of the socialist economy is based on planning. Despite this, the plans are neither interlinked nor balanced. [passage omitted]

A 2- to 3-percent production increase is a problem some enterprises are unable to cope with. The justifications heard at the meeting: We lack manpower; Our technology is obsolete. But why is it that scarcely any director was able to say that he is replacing the missing manpower and unproductive old equipment with new technology? [paragraph continues]

The reason is that technical development has not taken root in most of the nonfulfilling enterprises. They often have no idea what to do next. No blueprints for developing the production base or for modernizing and rebuilding have been worked out, and the enterprises lack the necessary technical designers. [passage omitted]

What are the measures taken by enterprises for rectifying the situation? They organize brigades, they make people work overtime, the designers and technicians work directly in production, and many of them will have no single free Saturday in for the rest of this year. These measures are certainly necessary; but surely they cannot be a lasting solution. For instance, the Eska works in Cheb have prolonged their shifts; they have been working with brigades for the last 2 years; and still they are not fulfilling the plan. The director of the Elitex plant in Boskovice stated that the number of people who give notice is increasing; their reason is that the foreman is forcing them to work overtime. It is good that it was stated outright at the meeting that such measures will not be considered sufficient. The ministry will insist on more consistent steps. And it will also contribute to them by making use of all its possibilities.

EDITORIAL WARNS AGAINST 'CLASHES' WITHIN PARTY

AU271502 Bratislava PRAVDA in Slovak 23 Oct 86 p 1

[Editorial: "On a Common Front"]

[Excerpts] Let us be frank and open. Economic development is not taking the direction that was determined by the 17th CPCZ Congress. The strategy of acceleration is being implemented far too dilatorily, in a manner that is not adequate to its requirements. This is tellingly confirmed, for example, by the absolutely unsatisfactory growth of the qualitative indicators of plan fulfillment, by the nonfulfillment of tasks in the growth of national income, and so forth. [passage omitted]

Without putting on black-colored spectacles, without dramatizing, and without displaying hopeless pessimism -- which would be both unwarranted and unfounded -- it must be said that the current period of turnabout [prelomove obdobie] will inevitably bring many questions to a head and force us to deal with them by nontraditional, outright revolutionary approaches and methods. It will bring to the surface in their stark nakedness our long-standing shortcomings and weak points, of whose existence we are well aware, but which we have still failed to tackle -- and if we did tackle them it was only inconsistently and halfheartedly, or we put off their solution until the next day.

There will thus come a time of search for the culprit or culprits who did not do what they were supposed to do, who entangled rather than disentangled many cardinal problems, who -- depending on the degree of their legal powers and responsibility -- did what they should not have done or did not do what they should have done.

Without trying to be a false prophet, one expects a "clash" between individuals or groups working in the economic and ideological spheres. One group may start accusing the order, argue about their share of guilt, and so forth. We must strongly guard against this possibility of tendency, and eliminate it in a principled manner. The relationship between policy, economy, and ideology, given the unity between them, is a dialectical one and their mutual cooperation and organic integration are absolutely essential.

Because of the possibility of mutual reproaches and accusations between some officials from the economic sphere on the one hand and some officials from the ideological sphere on the other, a possibility that is already appearing in hints and other ways, it is appropriate to remind both groups of the 15 session of the CPCZ Central Committee of 1980, which stressed in a correct Marxist and unambiguous way that "broad ideological influence is an inseparable and integral part of political-organizational and managerial work, of joint efforts by the party as a whole, by managerial and economic agencies...." Regrettably, for many people and at many places this requirements -- one of the basic requirements voiced at that session -- has remained in the position of a cinderella. They either underestimate it, fail to take note of it, or deliberately circumvent and ignore it in practical life.

In seeking a common denominator of existing shortcomings in the economy and in ideology, one can express the principle approximately as follows: If there is a particularly large number of markedly weak spots and unmastered tasks in the economic sphere, this is apparently because, on the one hand, many (the majority?) of economic and managerial officials have not assimilated a political approach to tasks and, on the other hand, because political and ideological work have not always and everywhere created sufficiently effective conditions and an atmosphere conducive to honest work and activity and hostile to lack of discipline, to sloppy workers, and to those who pursue unlawful paths and improve their living standards by dishonest means.

When speaking justifiedly and truthfully about the shortcomings of the ideological front, we do not conceal the fact that until now it has not displayed sufficient courage to come to terms with departmentalism and to leave the plane of general and abstract notions and go to a vigorous onslaught. It is the art, and also the duty, of ideological workers to keep public opinion under constant "tension" until the urgent problem in question is solved and the existing shortcoming removed, and to compel responsible workers by force of public opinion to act in the social interest and to mobilize and unite the people to overcome difficulties and adopt a revolutionary method of thinking and doing things. [passage omitted]

Practical life is the yardstick of the effectiveness of ideological work. At the same time, the correctness and effectiveness of practical life is determined by its confrontation with theory, by the degree to which it tallies with and "matches" theory, ideology, and the ideals that we profess and to which we aspire. [passage omitted]

We criticize opportunism in practice, responsibility-dodging, formalism, and pragmatic scheming. This criticism, including ideological work against these phenomena, is and will remain ineffective as long as these abuses and malpractices pay, as long as there is a real discrepancy between socialist principles and practical life, as long as practical experience confirms the people's view that acting in a principled way is disadvantageous, risk-prone, and conflict-prone, whereas unprincipled todayism yields advantages and dividends.

It is beyond any doubt that ideological work and the entire mass-political activity must rely on a purposeful economy and an attractive and strong social policy. Or, to reduce this requirement to the most sensitive issue -- economic incentives must work in the same direction and have the same activating and inspiratory influence as ideological work. The new thinking cannot be shaped by propaganda alone. [passage omitted]

Let us be straightforward and open: Officials and economists who demand and expect propaganda and agitation to safeguard the process of shaping the new thinking and psychology, regardless of the existing economic mechanism and existing economic conditions, who do not create real conditions for the assertion of the material incentives of socialism according to the quality, amount, and social importance of work but demand that educational work and propaganda ensure the assertion of moral incentives, these officials and economists cannot but be called philosophical idealists -- from the viewpoint of philosophy -- and shortsighted and, moreover, color-blind opportunists -- when viewed from the viewpoint of economic policy. They are from the stock of triplet brothers, which are: narrow-minded practicicism, down-to-earth pragmatism, and overconfident bureaucratic dogmatism. [passage omitted]

We are engaged in a struggle and must carry on this struggle until we triumph. But in waging this struggle, we must not stir up war between workers of the economic and the ideological fronts, even if this concerns only individuals. Both these fronts wage this struggle jointly and are mutually irreplaceable.

GERLE-LED DELEGATION ARRIVES IN MOZAMBIQUE

LD281511 Prague Domestic Service in Slovak 0900 GMT 28 Oct 86

[Text] Mozambique -- The Czechoslovak delegation headed by Ladislav Gerle, member of the CPCZ Central Committee and federal vice premier, has been received in Maputo by Marcelino dos Santos, member of the Frelimo Party Central Committee Politburo and chairman of the Standing Commission of the Mozambican People's Assembly. The delegation arrived in Mozambique for the funeral of Samora Machel, president and chairman of the Frelimo Party. Ladislav Gerle conveyed to Marcelino dos Santos the deep condolences of the Czechoslovak people; Gustav Husak, general secretary of the CPCZ Central Committee and president of the Republic; and the Federal Government on the unexpected tragic death of Samora Machel. Marcelino dos Santos thanked him for the support in the difficult moments Mozambique is going through following the loss of its highest representative.

STROUGAL RECEIVES VIENNESE MAYOR 28 OCT

LD282345 Prague Domestic Service in Czech 1730 GMT 28 Oct 86

[Text] Lubomir Strougal, federal premier, received in Prague today Mayor of Vienna Helmut Zilk, who is visiting Czechoslovakia.

In their talks, they emphasized the significance of further expanding and deepening political, economic and cultural cooperation between Austria and Czechoslovakia as well as their joint interests in the development of friendly, neighborly relations between the two countries. They spoke about the possibilities, of which they must take full advantage, for the intensification of mutual goods exchange and for expanding cooperation in scientific-technical and investment areas.

Assessing the current situation in the world, Lubomir Strougal and Helmut Zilk emphasized that one of the important tasks of the representatives of capitals of all countries is to take an active part in creating conditions for disarmament, creating trust between states with different social systems, and aiding the expansion of their peaceful cooperation.

HONECKER RETURNS HOME AFTER VISIT TO ASIA

LD281558 East Berlin ADN International Service in German 1351 GMT 28 Oct 86

[Excerpts] Berlin, 28 Oct -- Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State, arrived back in the GDR on Tuesday after official friendship visits to the DPRK, the PRC, and the MPR. He was warmly welcomed at Berlin-Schoenefeld Airport this afternoon.

Among those welcoming him were SED Central Committee Politburo members Willi Stoph, chairman of the Council of Ministers; Horst Sindermann, president of the People's Chamber; Hans-Joachim Boehme, Horst Dohls, Werner Felfe, Kurt Hager, Joachim Herrmann, Werner Jarowinskiy, Heinz Kessler, Guenther Kleiber and Egon Krenz.

Erich Honecker had been accompanied by Guenter Mittag, Politburo member and secretary of the SED Central Committee, deputy chairman of the Council of State; Oskar Fischer, foreign minister; Gerhard Beil, minister of foreign trade; Guenter Sieber, head of the International Relations Department of the SED Central Committee; Frank-Joachim Herrmann, state secretary and head of the chancellery of the chairman of the Council of State; and other public figures. [passage omitted]

Earlier during a stopover in Irkutsk, Erich Honecker had described the results of his visit to three socialist states in Asia as very successful. He expressed the conviction that the outcome of his official friendship visits to the DPRK, the PRC, and the MPR would have a positive influence on international relations.

SCIENTIFIC PROTOCOL WITH CSSR SIGNED 28 OCT

LD282338 Prague CTK in English 2055 GMT 28 Oct 86

[Text] Berlin Oct 28 (CTK correspondent) -- A protocol on the 28th session of the Czechoslovakia-GDR Mixed Committee for Economic and Scientific-Technological Cooperation, which ended here today, was signed by Czechoslovak Deputy Premier and Chairman of the State Planning Commission Svatopluk Potac and GDR Deputy Premier Horst Soelle.

On the agenda of the session was consistent ensuring of the program of development of economic and scientific-technological cooperation between the two countries up to the year 2000, traditionally in olefin chemistry and biotechnology and now also in petrochemistry and polyurethane chemistry.

The committee also discussed questions of scientific-technological cooperation in electrotechnics and agreed on further steps leading to the extension of bilateral cooperation in micro-electronics and complex automation of production.

The committee also evaluated the level of direct relations between enterprises and research institutes of the two countries. Forms of direct cooperation have been existing for years, being useful for both sides.

MUECKENBERGER RECEIVES CPCZ DELEGATION

LD280414 Prague CTK in English 2113 GMT 27 Oct 86

[Text] Berlin Oct 27 (CTK correspondent) - A delegation of the Central Control and Audit Commission of the Communist Party of Czechoslovakia, led by its chairman Jaroslav Hajn, was received by Socialist Unity Party of Germany (SED) Politburo member and Chairman of the Central Commission of Party Control Erich Mueckenberger here today.

In a cordial and friendly atmosphere they exchanged views on the implementation of the conclusions of the 17th congress, which are focused in both countries on the preservation of peace and the further construction of developed socialist society. They agreed that the role and responsibility of the control and audit commissions of the two parties are constantly increasing in implementing the aims of the fraternal parties. During the visit to the GDR, the Czechoslovak party delegation will study the work of the SED commissions of party control.

KROLIKOWSKI ATTENDS MACHEL FUNERAL IN MAPUTO

LD281358 East Berlin ADN International Service in German 1054 GMT 28 Oct 86

[Excerpts] Maputo, 28 Oct (ADN) -- The Mozambican people today took leave of Samora Moises Machel, president of the Frelimo Party and of the People's Republic of Mozambique, who lost his life in a plane crash on 19 October. [passage omitted]

A GDR delegation by Werner Krolkowski, member of the SED Central Committee Politburo and first deputy chairman of the Council of Ministers, attended the funeral.

SINDERMANN DECLARES DISARMAMENT READINESS

LD241905 East Berlin ADN International Service in German 1052 GMT 24 Oct 86

[Text] Berlin, 24 Oct (ADN) -- The President of the GDR People's Chamber, Horst Sindermann, has declared the readiness of the GDR's supreme representative body of the people to start confidence building discussions with the European Parliament on various aspects of a disarmament program in a letter to the president of the European Parliament, Pierre Pflimlin.

Horst Sindermann is thereby answering resolutions adopted by the European Parliament which were handed to all European states. They emphasize the necessity of effective disarmament steps and propose a dialogue between East and West with clearly defined aims. The United States is called upon to continue adhering to the SALT II and ABM treaties.

On behalf of the supreme representative body of the people in the GDR, Horst Sindermann emphasized that the Soviet-American treaties on strategic arms must be preserved as elements of political stability and predictability. In view of the arms stockpiled in the world, which pose exceedingly great dangers to world peace, no responsible European political can remain indifferent to the search for ways to disarmament. The GDR sees real possibilities both globally and within a regional framework of finding solutions to arms limitation and disarmament. Dialogue between parliamentarians in East and West could make a substantial contribution to this.

MSZMP'S BEREZC CITED ON 1956, OTHER TOPICS

PM281650 Paris LIBERATION in French 23 Oct 86 p 28

[Interview with Janos Berecz, chairman of the MSZMP Central Committee Agitation and Propaganda Committee, by Veronique Soule; "early in October" in Budapest]

[Text] LIBERATION: You are a specialist on the events of 1956. In your opinion was it a counterrevolution? A national tragedy? Or a revolution at the outset that was later diverted?

Janos Berecz: All three. There was a counterrevolution in 1956 because the aim was to overthrow the government and to alter the system of ownership. The movement was directed against the USSR and its allies.

It was also a national tragedy. Of course we had serious problems, but to resolve them it was necessary to halt the armed struggle and to restore order. A nation always prefers to rely on its own resources, but ours were inadequate. We needed foreign help. So it was no picnic.

Last, it was a democratic movement diverted from its aims. It embodied some revolutionary elements -- party members and the majority of students and intellectuals, whose demands were just. Those people wanted to purify socialism and to rectify the errors. Many young people therefore thought they would die as heroes but they were mistaken.

LIBERATION: Has the official position changed over the past 30 years?

Janos Berecz: Yes. Until 1960-61 our propaganda documents spoke only in terms of counterrevolution. Then there was silence. After the amnesty it was necessary to heal the wounds. Only 5 years ago we began to reappraise the issue. Every 5 years Radio Free Europe would celebrate the "victories." And we remained silent as though we felt remorse. However, our society, the majority of which was born afterward, was interested in 1956. So in 1981 the television service organized a debate on the subject. I was one of the guests. I was afraid that television viewers would not be interested. However 3 million people watched and many of them asked for the program to be shown again.

LIBERATION: One of your best known writers, Istvan Csaruka, has just had a publishing ban imposed on him for having talked about "the 1956 revolution" abroad. Others are demanding a tomb for Imre Nagy. So has the matter not yet been resolved?

Janos Berecz: History is never settled once and for all. The new generations ask questions and they must always be given explanations. I have children myself. I have to answer them too.

LIBERATION: Have restrictions indeed been imposed on Istvan Csaruka?

Janos Berecz: He discussed our internal affairs on Radio Free Europe. That radio station is hostile to our state, as it proved in 1956. In our opinion it is the worst possible forum for a Hungarian writer. Nor would we have been happy if Csaruka had criticized our policy on another socialist country's radio.

We have the opportunity to speak here. All he had to do was to come and talk to me in my office.

LIBERATION: Let us talk about the present situation -- debt, inflation, the slowing of the growth rate. Should the economic reform be continued, despite these difficulties?

Janos Berecz: Our chief problems stem from the fact that international conditions have altered. They were favorable to us when we introduced our reform. But prices spiraled in 1974 and again in 1978. Now we need to sell 30 percent more of our products to buy what our economy needs on the international market. How are we to continue? By means of greater efficiency. For instance, the state still guarantees everyone a job, but enterprises must ensure that the job is efficiently done. The reform will continue, despite everything. This is not an economic but a political decision.

LIBERATION: Will the bankruptcy that has just been authorized for unprofitable enterprises spread in the future?

Janos Berecz: I cannot answer that. It is a matter for the government. In my opinion radical action should be taken in 15-20 cases. But there is no danger of workers' finding themselves on the street.

LIBERATION: With the reform and the authorization of a private sector, we have seen an exacerbation of the inequalities between the "nouveaux riches" and the poor, such as retired people. What do you think of this?

Janos Berecz: The fact that Rubik is a millionaire neither interests nor irritates me. We are in fact proud of his invention. What does worry me, however, is the man who buys tomatoes at 8 forints a pound and sells them at 80 forints to private traders who retail them at 90 forints. While it is natural to earn money through honest work, it is no longer so when the activity is dishonest.

LIBERATION: Should the private sector be expanded?

Janos Berecz: Since our services are ill equipped and we lack the resources to develop them, we have to rely on the private sector. This has made it possible better to satisfy demand. I believe that in 15 years' time there will be more equality, thanks to a new tax system and a greater consistency between profits, prices, and incomes.

We used to talk in terms of equality. Now we say equality with our hearts and differentials with our minds.

LIBERATION: It is said that Mikhail Gorbachev wants to strengthen political and economic coordination among the Warsaw Pact countries. Do you intend to strengthen your ties with the West as well?

Janos Berecz: We have a fundamental principle -- peaceful coexistence. When Carter pressed for a lessening of relations between the two blocs following events in Afghanistan we did not cancel any meetings. On the contrary, we later received the British prime minister here for a visit. We also have an economic need to strengthen these relations.

On the other hand we must intensify our ties with the socialist countries and cooperate better in production. We still have problems with distribution of labor. There should also be more rapid and detailed information transfer among us. For instance, when Reagan and Gorbachev meet we are not told about it by the Russian press.

LIBERATION: How does the new Soviet leader seem to you?

Janos Berecz: Like a very open-minded man, full of courage to tackle all the problems that he is tackling.

LIBERATION: The new Soviet leadership is talking about reform. Could your experience be useful?

Janos Berecz: We do not export our model. It is linked to the Hungarian situation. But we do know that the Soviets regard our experiences favorably. We wish them good Soviet reforms suited to their own conditions. I even hope that we will later learn from them.

LIBERATION: The question everyone is asking is: Are you a possible successor for Janos Kadar?

Janos Berecz: The party has 800,000 members, who want to put off that decision as long as possible. Even if Freud were to analyze us he would not discover any other thought.... If the need were to arise, the Central Committee would decide. There is just one thing I can say: All self-appointed candidates have failed in the history of Hungary and of the party.

NEED FOR TECHNOLOGICAL DEVELOPMENT DISCUSSED

AU221151 Budapest NEPSZABADSAG in Hungarian 20 Oct 86 pp 1, 3

[Report "from our correspondent": "There Is Need To Speed Up Technological Development -- MTESZ (Society of Scientific and Technological Associations) Held a General Assembly To Elect Officials"]

[Excerpts] On 8 October at the headquarters of the 13th district party committee, the MTESZ held its 14th general assembly of delegates to elect officials. The 55 delegates represented some 170,000 experts in the fields of technology, natural sciences, economics, and agriculture, and discussed the work of this public organization over the past 5 years as well as its tasks for the coming years. The conference was attended by Gyorgy Lazar, chairman of the Council of Ministers, and Istvan Sarlos, chairman of the National Assembly; both members of the MSZMP Politburo; Lenard Pal, secretary of the MSZMP Central Committee; Rezso Trautmann, vice president of the Presidential Council; and Lajos Faluvegi, deputy premier.

MTESZ Chairman Jenő Fock opened the conference. Next, the general assembly admitted the recently established Hungarian Astronautic Society as its 33d member. Next, in addition to the documents already presented to the general assembly, Janos Ioth, secretary general of the MTESZ, gave a speech. [passage omitted]

Among others, Lenard Pal took part in the debate following the speech. [passage omitted]

He recalled that the 13th MSZMP Congress considered it an important prerequisite of social and economic development to increase the efficiency of technological and scientific research and to improve the necessary system of political, social, and economic requirements. [paragraph continues]

Technological development has become one of the decisive factors in creating a dynamic economy and improving efficiency, and the main target of this development must be a comprehensive technological modernization to enable profitability to increase. It is necessary to consider and develop in a coordinated manner all economic and technological factors in order to create a correct strategy. It must be underlined that the realization of this technological development is taking place in the sphere of enterprises, and this must be considered both in the system of management and in the establishment of an economic and technological base. [passage omitted]

In analyzing the role of the MTESZ, Lenard Pal underlined that "it will remain an extremely important task for the society and its associations to use the means of voluntary work in mobilizing the intelligentsia in technology, natural sciences, and agriculture to implement the most important tasks that serve the acceleration of technological development.

Finally, the secretary of the Central Committee analyzed the national economic situation and asked the help of the MTESZ in implementing the tasks facing the country.

"It is well-known that no economic revival took place in 1985 and 1986, and the results so far are not satisfactory. Our major difficulties result from the fact that we consumed more than we produced. Thus, in this situation it is necessary to concentrate our efforts on producing our material goods in a profitable way. The practice of concentrating on distribution and consumption must be replaced with the activity of creating financial resources. We can only fulfill this requirement if we put all our efforts, including the motor of technological and scientific development, to the service of profitable financial production. Great tasks are facing the MTESZ and its associations in this field, and I hope that they will report success at the next general assembly 5 years from now", Lenard Pal concluded. [passage omitted]

The debate ended with the closing speech by Janos Toth, and this was followed by decisionmaking. The general assembly of MTESZ delegates declared among other things that this public organization will consider its main task to be helping to speed up technological development. This can be done in a social and economic environment which increasingly provides incentives for and forces people to carry out technological development. In order to do so, the MTESZ will have to help the efforts of economic management, provide incentives for enterprises to carry out concrete projects in technological development, and provide incentives for the active participation of the technological staff. It will promote the reward of this group both morally and financially. It will have to pay special attention to quality and organize and manage the movement called Hungarian trademark. [passage omitted on the reelection of present heads of the MTESZ, which does not give individual names]

BRIEFS

WORKERS DELEGATION TO USSR -- Budapest, October 24 (MTI) -- A Hungarian party workers' delegation, headed by Antal Stark, deputy head of the Scientific Department for public education and culture of the Central Committee of the Hungarian Socialist Workers' Party, paid a visit to the Soviet Union from October 20 to 24 on the invitation of the Central Committee of the Communist Party of the Soviet Union. The delegation studied the CPSU experience in developing higher education and teaching social sciences. They held talks with Georgiy Strizhov, deputy head of department at the CPSU Central Committee, and Gennadiy Yagodin, Soviet minister of higher and secondary vocational training, and visited several party, scientific and educational institutions. [Text]
[Budapest MTI in English 1630 GMT 24 Oct 86 LD]

GORYWODA ADDRESS SEJM ON ECONOMIC GROWTH

LD232150 Warsaw PAP in English 1811 GMT 23 Oct 86

["SEJM Address by Manfred Gorywoda -- (Abridged)" -- PAP headline]

[Text] Warsaw, Oct. 23 -- What policy can secure the highest rate of long-term socio-economic development of the country, and through this better living standards? There can be only one answer. A consistent, tough policy oriented towards higher productivity, lower energy and material consumption, eradication of waste, and better use of every available production factor, in other words, towards making use of qualitative sources of development, towards modernity in the broad sense. Such is the leading thought of resolutions passed by the 10th PUWP Congress, such is the conclusion stemming from the resolutions, opinions and postulates by the Sejm (parliament). The government was guided by such arguments while working out the draft five-year plan and its implementation instruments.

The very essence of the economic policy for this five-year period consists in creating material and economic premises of higher quality of management. In what is it reflected? Better material conditions primarily mean, as planned:

Firstly, the intensification of Poland's participation in the international division of labour which depends on higher exports, in the first place, secondly, the speeding up of the scientific and technological progress, thirdly, structural changes in production and development, fourthly, modernization of production potential, which calls for higher investment outlays and primarily their structural changes.

The effectiveness of the economic reform should be increased, chiefly, through:

- restoration of economic equilibrium,
- adoption of realistic economic parameters, in the first place prices, and simultaneous curbing of the rate of inflation,
- improvement of economic mechanisms and instruments, as well as improvement of methods and style of economic management.

The government is of the opinion that such conception of the economic policy and these directions of activity reflect most fully the conditions of development, are the only way to ensure the highest possible long-range pace of the country's economic development. Consistent implementation of this policy should make it possible to attain in the years 1986-1990 the growth of national income of between 16 and 19 per cent, and thus, create premises for a better satisfaction of social needs.

Taking into account the results of social consultations, and simultaneously, the possibilities of the economy, adhering to the resolution of the 10th congress the national socio-economic plan proposes to adopt for the years 1986-1990, the following principal social goals:

1. Further improvement in the supplies of food and industrial products.
2. Effective curbing of inflation.
3. Progress in the solution of the housing problem.
4. Progress in the development of health protection and the halting of natural environment's degradation.
5. Expansion of the material base of education and school system, and culture.
6. Shaping of the population's incomes in accordance with the principle of the socialist social justice.

The improvement in the society's diet will take place on the basis of the envisaged 14-per cent growth of market food supplies, which should be accompanied by a more diversified offer and a markedly higher quality of food products.

The present quinquennium should bring an improvement in the supplies of industrial consumer goods. The growth of supplies of these articles is estimated at 17 percent.

It is envisaged that in the present quinquennium about 30 per cent of the total investment outlays will be spent on the housing complex.

The draft plan envisages that some 1050-1150 thousand new flats will be built in the years 1986-1990.

The draft plan provides for considerably bigger tasks connected with the protection of natural environment. This requires increased investment outlays on the protection of natural environment and on water economy ventures. It is envisaged that these outlays should grow by 3.5 times faster than investment outlays in the entire socialized sector of economy.

The government will take steps to shape income policy in tune with socialist principles of social justice. This means primarily observing the principle of "division according to work", protecting the economically weakest groups and counteracting intercepting incomes without the contribution of one's own work.

The growth rate of exports and thus an increase in Poland's share in international division of labour will be of decisive significance for reaching social and economic goals of the current quinquennium.

It is possible to more broadly tap potentially great advantages that have so far been insufficiently used by Poland. These advantages are inherent in participation in the international division of labour. It is necessary to solve the problem of Poland's indebtedness. Poland's payment situation is still difficult and is a constant factor of uncertainty and tensions in our development. Unless we considerably increase exports, we will not solve this problem.

The rise in exports, that should amount to at least about 27 per cent throughout the quinquennium, must be linked to deep changes in its material structure.

To achieve the planned exports growth, it is necessary to activize our work in all markets. Cooperation and the exchange of commodities with the USSR, CMEA and other socialist countries will be the most important issue so far.

We also want to develop economic relations with capitalist countries. These relations will depend to a great extent on solving our payment problems. We do not change our stand on payment obligations, formulated many a time, and want to regulate them. However, this cannot take place at the expense of limiting the economy's development potential and worsening the degree in which social needs are satisfied. We think that normalization of economic and financial relations and cooperation to increase export capabilities of the Polish economy lie in the common interests of Poland and creditors. Unfortunately this is not served by the still upheld numerous official and unofficial limitations and restrictions against Poland.

We will cooperate with the International Monetary Fund and the World Bank and seek possibilities of using cooperation with these institutions to solve Poland's development and payment problems. Commodity exchange and cooperation with developing countries will be of the increasingly greater significance for our economic relations with abroad.

All solutions should lead to the situation in which export and its increase will become the most advantageous line of action for enterprises.

The outlays on science and technology are to more than double throughout the present quinquennium as compared with the previous one and their share in the national income will rise from 1.7 per cent in 1985 to 3 per cent in 1990.

With a view to improving the effectiveness of management and particularly to reducing material and energy consumption, the draft of the national socio-economic plan envisages to start profound changes in the structure of production and economy.

The investment policy in the years 1986-1990 will be tightly subordinated to the planned social and economic targets.

It means that 10,000 billion zlotys will be spent on investments, that is by 24 per cent more than in the previous five-year period.

If we want to achieve the planned increase of the national income, we must find ways to save some 19 million tonnes of fuel units in 1990. This gives the most distinct characteristics of the scale of saving tasks.

A strict austerity regime with regard to fuels must become a national issue.

The national socio-economic plan provides for the necessary outlays for the national defence and state security. Also in this field, selective meeting of demands is envisaged in accordance with the country's economic possibilities. In the structure of the national income's division, the share of outlays for state defences and security is kept at a moderate level and in to-date proportions to other sections of social consumption.

To create systematic conditions for a balanced and effective socio-economic development of the country is the main objective of the economic reform which is now being implemented. While assessing the to-date course of the reform, the 10th PUWP Congress confirmed the rightness of the adopted principles of restructuring the system of the economy's operation. A similar view was voiced by the Sejm (parliament).

The past time has showed that it is not only possible to steer the economy centrally by using indirect methods but also that these methods combined with the independence of enterprises and socialized planning and economic management stimulate the activity of economic units and crews.

The question for today then, is not whether to realize the reform or not but how to ensure its high effectiveness. The second stage of the reform is to serve this end, and its essence is:

- restoration of the economic equilibrium, and especially the money-market and supplies equilibrium,
- adoption of realistic economic parametres, especially prices, currency exchange rates and amortization,

- development of internal economic accountability alongside the collective work systems,
- consolidation of the motivating function of wages and the restructuring of the system of collective work contracts.
- enrichment of forms and better adaptation of organizational structures to the changing conditions.
- modernization of the methods of activity of the central and regional bodies of state administration.

All these actions are taken with a view to creating conditions for a universal application of economic coercion, eliminating ineffective economic units, to developing socialist initiative.

What should be done to materialize the second stage of the economic reform? In the first place it is necessary to lower the scope and scale of subsidies from the budget, to balance the state budget and stabilize the sources of its incomes, to significantly reduce rationing of consumer and investment goods, of raw and intermediate materials, and to increase the role of financial effect in the assessment of enterprises.

The implementation of the planned assumptions would make it possible to curb a inflation to 5-6 per cent in 1990 and to faster achieve the economic balance, and as a result to increase the effectiveness of economic mechanisms

The second stage of the reform also means the need to assume a new approach to initiative and innovations, greater readiness on the part of the personnel to independently take economic risk and to seek new forms of activity.

The years which are still ahead of us till the end of this decade are a short period from the point of view of economic development processes. But what we will manage to do in that period will determine Poland's shape at the turn of the century.

Being aware of the great responsibility stemming from this, the government considers it necessary to start deep restructuring of the economy, the process of it switching to qualitatively new tracks.

In the past, growth rate indices of coal extraction, production of steel, cement, and sulfuric acid used to be the measure of progress. Today, such a measure is the rate of introducing scientific and technological achievements, high-tech and latest designs, progress in computerization, and competitiveness of Polish products on world markets. It is also the efficiency of the system of steering and managing the economy. The plan outlines the road which makes it possible to fulfill these tasks. It is not easy at all, but only following this road one can use the possibilities and meet the aspirations of Polish society.

The plan is oriented towards creating conditions for a long-time effective development of the country. This is reflected in the assumptions of the national income's division, structural changes, speeding up of the scientific and technological progress, and broader use of the advantages of international division of labour envisaged by the second stage of the economic reform. The materialization of these assumptions will change the image of our economy, will make it qualitatively different, modern, balanced, more effective, and able to meet the challenges of the present day.

The government expresses a conviction that this strategy of Poland's socio-economic development will win the understanding and active support of the working people. And it is this that finally will determine the success of the implementation of planned targets and tasks.

MORE NEW VOIVODSHIP OFFICIALS ELECTED 19 OCT

AU221300 [Editorial Report] Warsaw ZOLNIERZ WOLNOSCI in Polish on 20 October publishes on page 1 a 360-word PAP report on "new officials to voivodship PZPR committees and voivodship control and auditing commissions" elected to delegates attending voivodship accountability and election conferences on 19 October. The officials are listed as follows:

1. Katowice Voivodship

Voivodship PZPR Committee first secretary: Bogumil Ferensztajn.

Secretaries: Stanislaw Barczyk, Czeslaw Brozek, Jan Rachwalik, Marian Rauszer, Henryk Rembierz, and Jan Zielinski.

Members of the Secretariat: Andrzej Kolacz and Robert Mocko.

Chairman of the voivodship control and auditing commission: Eugeniusz Kotas.

2. Gdansk Voivodship

Voivodship PZPR Committee first secretary: Stanislaw Bejger.

Secretaries: Mieczyslaw Chabowski, Bohdan Daszkiewicz, Stefan Milewski, Jolanta Mironiuk, Izydor Sobczak, and Mieczyslaw Stefanski.

Chairman of the voivodship control and auditing commission: Zbigniew Brunke.

3. Krakow Voivodship

Voivodship PZPR Committee first secretary: Jozef Gajewicz.

Secretaries: Jan Czapiel, Jerzy Hausner, Henryk Ichas, Wladyslaw Kaczmarek, and Jozef Szczurowski.

Members of the Secretariat: Kazimierz Gron and Jerzy Wrobel.

Chairman of the voivodship control and auditing commission: Leonard Zukiewicz.

4. Lomza Voivodship

Voivodship PZPR Committee first secretary: Mieczyslaw Czerniawski.

Secretaries: Henryk Bialobrzesci, Mieczyslaw Brzezicki, Jan Jamiolowski, and Marian Kocwin.

Members of the Secretariat: Jerzy Baczewski and Grzegorz Flejter.

Chairman of the voivodship control and auditing commission: Slawomir Grygo.

5. Ostroleka Voivodship

Voivodship PZPR Committee first secretary: Jerzy Glowacki.

Secretaries: Michal Langiewicz, Zdzislaw Matuszewsk and Jerzy Ponikiewski.

Chairman of the voivodship control and auditing commission: Bogdan Kolebacz.

6. Siedlce Voivodship

Voivodship PZPR Committee first secretary: Andrzej Ornat.

Secretaries: Henryk Augustyniak, Kazimierz Drozdziuk, Adam Stepniak, and Bogdan Wojtczuk.

Chairman of the voivodship control and auditing commission: Jan Szklarczyk.

7. Walbrzych Voivodship

Voivodship PZPR Committee first secretary: Jozef Nowak.

Secretaries: Zenon Cyktor, Kazimierz Drozdz, Jerzy Krzywda, and Danuta Mika.

Chairman of the voivodship control and auditing commission: Boguslaw Cybulski.

SOLIDARITY LEADERS SEEK 'POLITICAL CONTEST'

AU201501 Warsaw TRYBUNA LUDU in Polish 17 Oct 86 p 3

[Jerzy A. Salecki article: "A Political Contest and Not Union Activity"]

[Text] The considered and consistent implementation of the party line and the program of accord and struggle not only led to the normalization and stabilization of the situation in various areas of life but also prompted millions of citizens to conduct fundamental reassessments. With the disappearance of emotional attitudes and the emergence of political thought that possessed a sense of responsibility, Solidarity -- more as a myth in people's memories than a trade union -- lost popularity and respect. The influence of the "underground" and support for it waned.

Throughout Solidarity's existence, its leadership bandied about the slogan of "genuine renewal" and professed its readiness to engage in constructive cooperation with the state apparatus while in practice it formulated, carried out, and supported damaging activities that inflamed public emotions and increased economic chaos.

To describe Solidarity as a "social movement" accurately conveys the political ambitions of its leaders, who saw its mass membership as a million strong pressure group, an enormous lobby that could wring more and more concessions from the state authorities. If the political objectives behind such activities were not apparent to everyone immediately, then this was because they were concealed behind a cloak of the claims and demands made by unions. As Gogol wrote years ago, everyone's salary is 500 rubles too low.

By creating obstacles for the state, attacking the system, questioning the role of the party and disparaging the economic apparatus, Solidarity acted as an opposition force in the field of politics. And the economy -- because it is a subject of great interest -- becomes the focus of attention once more when there is a need to gain recognition and conceal political objectives.

The last amnesty was more than just proof of the state's strength, as is so often stated in commentaries: it marked the decline of the "Solidarity myth." Today, it would be difficult to consider the 225 persons released from prison and investigate custody representatives of some "union" or "movement." They only represent themselves. They represent ideas that are impossible to agree with if we do not want a possible "repitition": the return of tensions; strikes; demonstrations; the notorious marches; occupations of public buildings; and the abuse of churches for the purpose of organizing hunger strikes and having "sermons" delivered by members of the laity to whom the idea of dialogue and acknowledging one's own mistakes are foreign.

Having witnessed the decline of public interest in their "lofty role," the leaders behind these discredited activities would once again like to become the vociferous "voice of the people's aspirations." They declare that -- as (and only as) equal partners -- they would be ready to conduct talks on economic issues with the authorities. As partners, that is to say, as union leaders.

Although Solidarity used to cite Edward Abramowski in the ideas that it formulated, in actual fact its "experts" and "advisers" tried and are trying to adapt Abramowski's ideas to their aims as well as those contained in the program of the so-called "workers' opposition" in Soviet Russia.

The position of the anarchosyndicalist "workers' opposition" was that the national economy in a socialist state should not be managed by a "bureaucratic apparatus." This led them to formulate the thesis that it is necessary for the management of the entire economy to be transferred to trade unions. An "organization of producers" grouped together in unions would manage enterprises and appoint and dismiss state functionaries in planning and managing institutions. In practice, the state would cease to have an influence on economic processes and the development of the economy and would, in effect, become an appendage to an economic base managed by trade unions.

Trotsky and Bukharin, on the other hand, declared that it was necessary to "nationalize trade unions," to merge them into one structure with the state apparatus, a structure that executes economic tasks.

Lenin disagreed with both positions. His ideas on the subject can be reduced to four points.

1. Trade unions must retain their traditional functions: representing and defending workers' interests before the administrative apparatus.
2. Unions should take part in state organizational activities, but they cannot discharge managerial functions directly.
3. Unions must -- as working people's social organizations -- exercise control over the state administrative apparatus.
4. They must be a "school of communism" that organizes working people to take part in management, that fosters attitudes, and develops production initiatives put forward by working people.

We should also note that Lenin wrote openly that even under a socialist system there are "certain unavowed conflicts of interests between work forces and directors concerning working conditions in enterprises... and the ministries they come under...." ("Works" vol 33 pp 185-86)

In formulating the thesis of a nonclass-related economic conflict in a socialist state (the conflicting interests of occupational and social groups, differences between general interests and those of individual communities of employees, and conflicts between the economic administration and employees), Lenin defined the basic area of union activity. The second area of activity is ideology, the struggle for a correct attitude and awareness on the part of the workers' class. The third area of activity concerns the period during which the capitalist system is brought down and a struggle for power takes place.

The experiences of the Polish trade union movement affirm the validity of the Leninist theory. The "nationalization of unions" leads to stagnation and ossification, exemplified by the bad period of the Central Council for Trade Union's activity. On the other hand, the introduction of the model advocated by the leaders of the former trade union, Solidarity, leads to economic anarchy and a situation in which the state ceases to have an influence on the economy.

The legislation that is currently in force provides a precise definition of the place that trade unions occupy in public life and their status in a socialist state's governmental structure. When working people's problems are the subjects of discussion or when the state's actions affect the interests of working people, trade unions are at all times the partners of the state administration.

At the same time, in accordance with the support of socialist democracy and mass participation in management, workers' self-management councils (workers' councils) exist as organs equipped with managerial and control powers and are participants in the management of enterprises. Workers' self-management councils are not the equivalent of trade unions. Their objectives, tasks, and functions are different, as are the areas of their immediate activity and interest.

The superficially attractive idea of direct union participation in the planning process and the running of the economy, "the nationalization of unions," renders unions political structures, which lose the characteristics of organizations that defend the interests of their members.

One can and should ask the following question: Why are there people who are advocating this idea once again, and not just within the confines of a close circle? The answer is unambiguous: The issue is not union activity but the desire to engage in a political contest. It is not a question of defending working people but of political influence. And no attention is paid to logic or experience.

One must make this clear. Unions must remain unions, self-management bodies -- self-management bodies, and the state authorities -- the state authorities.

TV REPORT DETAILS NEW POLISH-MADE COMBAT PLANE

LD210854 Warsaw Television Service in Polish 1830 GMT 19 Oct 86

[Text] Polish pilots have a new training and combat aircraft. The latest training and combat aircraft I-22, a twin-engined, two-seater, high-wing monoplane of entirely Polish construction, is equipped with devices allowing day and night flight in difficult atmospheric conditions. Special cockpit construction gives pilots excellent visibility. For example, a take-off can be continued on one engine. A rescue system [system ratunkowy] in the plane allows for evacuation even during a take-off run. For the first time in Poland, a diagnosis system [system diagnostyczny] has been used for the I-22 which allows for a check of many of the aircraft's systems and units without dismantling.

The performance and combat value of the I-22 are comparable with performance of supersonic aircraft on low altitude, but it outclasses them in better maneuverability in this sphere. This is a modern and safe aircraft, which meets the requirements of modern training and combat aircraft. There are only four aircraft of this class in the world.

BRIEFS

MINISTER MEETS ENVOYS -- Warsaw, Oct 28 -- Foreign Trade Minister Andrzej Wojcik met with the ambassador of People's China here today Wang Jinqing to review the Polish-Chinese economic and trade cooperation this year and prospects of development of the relations up till 1990. In a separate meeting, Wojcik received newly appointed Yugoslav Ambassador to Poland Branko Puharic starting his mission here. [Text] [Warsaw PAP in English 2108 GMT 28 Oct 86 LD]

CEAUSESCU SPEAKS TO GNA SESSION 23 OCT

AU230938 Bucharest Domestic Service in Romanian 0802 GMT 23 Oct 86

[Speech by RCP Secretary General Nicolae Ceausescu at Grand National Assembly session held in Bucharest -- live]

[Text] Esteemed Comrade Deputies: Proceeding from the dialectical unity of our domestic and foreign policy, we have deemed it necessary to report to the Grand National Assembly [GNA] and to our whole people on our party's and state's policy at an international level and on the contribution we have made to resolving the complex problems of the struggle for disarmament and peace.

While focusing its activity on unswervingly implementing the plans and programs for socioeconomic development and socialist construction, Romania also pays special attention to world problems; it participates actively in resolving them and in the peoples' struggle for disarmament and peace and for broad cooperation among all nations in the world. [applause]

We are convinced that our people's programs and plans for socioeconomic development, like the plans for progress and development of all states and peoples, can be successfully fulfilled only in conditions of peace and international cooperation, and of trust and active cooperation among all world states, irrespective of social system.

All Romanian people are engaged with all their strength in unswervingly implementing the 13th RCP Congress decisions and the programs for building the comprehensively socialist society and Romania's advance toward communism. The strategic target of the new stage of socioeconomic development up to 1990 is the transition of our homeland to a new and superior stage of development -- that of a medium-developed socialist country -- and the transition by the year 2000 to the application of the communist principles of work and life.

The new 1986-90 5-Year Plan focuses in all activities on intensively developing industry, agriculture, and the other branches. On this basis, we have to ensure a vigorous development of the forces of production, improved qualitative and technical standards, and economic efficiency in all areas. We propose to achieve a new quality of work and life for all our people. This requires our full involvement in implementing the new scientific-technical revolution and the new agrarian revolution. In all our activities we constantly bear in mind that the fulfillment of the socioeconomic development plans and programs and the improvement of the degree of our homeland's development and of the material and cultural standard of living of the people can only be achieved on the basis of the most modern achievements of science and technology and of human knowledge in general.

We have an excellent general development program for our homeland which opens up great prospects and ensures the firm progress of our people toward the high peaks of socialist and communist civilization. [applause]

On the basis of the results achieved in the first 9 months, we can state that we will conclude the first year of the Eighth 5-Year Plan -- 1986-90 -- with important results in all areas. In industry we will achieve an increase of more than 7 percent in output compared with 1985; in agriculture we have achieved yields amounting to more than 28,000 metric tons of grain -- the largest yields in Romania's history. We also have achieved important results in the other sectors of activity. We shall also achieve important results in increasing labor productivity, economic efficiency, and in the national income.

The results we have achieved so far, as in fact everything we have achieved in the years of socialist construction, demonstrate the correctness of our party's policy, which creatively applies the general truths and objective laws to the conditions and realities in Romania. They are the result of the correct policy promoted by our Communist Party, which is honorably fulfilling its historic mission to guide all our nation toward the great heights of progress and civilization. [applause]

Everything we have achieved in the years of socialist construction -- and therefore also in the first year of the Eighth 5-Year Plan -- is the fruit of the devoted work of the workers class, the peasantry, intellectuals, all the working people, irrespective of nationality, and by all our people who in complete unity and under our communist party's leadership are unswervingly implementing our party's and state's domestic and foreign policy, which is fully in keeping with the vital interests of all our nation. [applause]

From the high rostrum of the GNA, I want to convey to all working people and to all our people warmest congratulations on the results achieved so far and the wish to conclude the first year of the current 5-year plan with optimal results, thus setting a lasting base for optimally fulfilling the Eighth 5-Year Plan, which ensures our homeland's elevation to new levels of progress and civilization, the strengthening of its economic potential, and Romania's independence and sovereignty. [cheers, chants]

In order to implement the 13th RCP Congress decision, this year we adopted important programs and measures to perfect the organization and modernization of the production process and technologies, and to standardize material and financial production costs in application of the new economic-financial mechanism. We act with great determination to apply the principles of self-management and economic-financial and self-administration in all areas. At the same time, we have worked out further measures to perfect the overall management and planning activity and to develop workers revolutionary democracy.

In all our activity, proceeding from the broad participation of the people's masses and of all our people in the leadership of all activities, the development of workers revolutionary democracy constitutes a decisive factor for successfully building the socialist and communist society in our homeland. [applause]

In general, we can state that we have begun the Eighth 5-Year Plan with positive results and that we have everything that is necessary to ensure the unswerving implementation of the 13th RCP Congress decisions and the party's program for building the comprehensively developed socialist society and Romania's advance toward communism. At this point we must take determined action in a revolutionary spirit to optimally fulfill all socioeconomic development plans and programs. Let us do all we can to conclude this year and the overall 5-year plan with optimal results in our homeland's socioeconomic growth in improving the material and cultural standard of living of our people, and in building socialism and communism in Romania. [applause]

Esteemed comrades, in our international activity and in close concordance with the 13th RCP Congress decisions and with the principles of our socialist system and with the very way of thinking of the Romanian people, we have acted and continued to act with great determination to develop relations of cooperation with all states in the world, irrespective of social system. Today our country maintains diplomatic relations with 155 countries in all parts of the world. Our relations with all states are consistently based on the principles of full equality of rights, respect for national independence and sovereignty, noninterference in internal affairs, and mutual advantage.

We can state with complete satisfaction that in all its international activity our country has made and continues to make an important contribution to the assertion of these principles in relations among all countries in the world.

From the high rostrum of the GNA I want to reassert socialist Romania's determination to struggle unflinchingly for the observation of those principles in international relations, in the belief that this is the only way to ensure the freedom and national independence of each national and socioeconomic progress. [applause]

We firmly advocate the renunciation of the policy of the use or threat of force and the observation of each nation's right to choose its road for socioeconomic development freely, without any outside interference. Reality and life have demonstrated on the basis of undeniable facts that the socioeconomic development plans of each people, therefore those of our people as well, can be implemented only in conditions of peace. Therefore, in all our international activity we act with determination to develop broad economic and scientific-technical cooperation with all countries in the world to achieve nuclear and conventional disarmament and to ensure peace -- the most important asset of mankind. [applause]

A scientific examination of world events demonstrates that the international situation is characterized by the confrontation of two diametrically opposing tendencies. One of these tendencies is acting in the direction of the policy of force, of tension, and interference in the domestic affairs of other states and of continuing the arms race, especially the nuclear arms race, which increase the danger of war and a nuclear catastrophe. The second tendency favors detente, opposes force and the arms race, and advocates disarmament and peace.

Realities prove that a relative balance has been created and continues to persist between these diametrically opposed tendencies in the international arena. One can state that the forces that advocate armament and a policy of force cannot act as they would like, however. But, at the same time, neither are the realistic forces that advocate disarmament and peace powerful enough to bring about a radical change in world events in the direction of detente and peace.

This is why it is necessary to intensify the struggle for the international political isolation of the forces that act toward tension and war. At the same time, everything must be done to unite the forces following the second tendency that act in the direction of detente, disarmament, and peace.

On the basis of realities, one can state that the international situation continues to be particularly serious. In the world arena many serious problems have accumulated -- economic and political. And unfortunately, new elements have also appeared that have complicated and aggravated the international situation even more. It must be said that this year, too, the arms race, including the nuclear arms race, continued. New nuclear weapons have been deployed in Europe.

At the same time the United States of America has continued its nuclear testing. At the same time, during this period there have been new acts of force against some independent states. Some of the military conflicts in various parts of the world have continued and even aggravated. This is why one can state that the danger of a new world war has increased even more, a war which, in the current circumstances, would inevitably turn into a nuclear catastrophe that would destroy the very conditions for the existence of life on our planet.

It is true that with the worsening international situation actions by progressive, anti-imperialist, realistic forces, people, and public opinion, and by various political, scientific, and cultural circles, including religious circles have intensified in the direction of a policy of peace, disarmament, and against the danger of a destructive nuclear war.

In the current international situation, one can say that the basic problem of our time is to achieve general and nuclear disarmament and to ensure peace on our planet. There is and can be no more important problem today than ensuring the supreme right of people and nations to existence, to freedom and independence, and to life and peace. [applause, chants]

Events clearly prove that there are powerful forces in the world which act with increasingly greater vigor and which, in complete unity, are able to halt the trend toward tension and war and to impose a new trend in international life toward detente, disarmament, cooperation, and peace. As a matter of fact, one can say that the very negotiations for disarmament in various international forums, including between the United States of America and the Soviet Union, are the result of the activity carried out by realistic forces, by all peoples, and by all political forces everywhere.

As is well known, in the first half of October a meeting between CPSU Central Committee General Secretary Mikhail Gorbachev and U.S. President Ronald Reagan took place in Iceland, which concluded without concrete results. From direct reports and from the statements made by the leaders of the Soviet Union and the United States of America it follows that a great number of problems were discussed, primarily the problem of nuclear weapons, and that in connection with some of them common positions or very close positions were reached. An important role in this respect was played by the proposals presented by Comrade Gorbachev with respect to nuclear weapons, particularly with respect to intermediate-range missiles and strategic weapons.

At the same time, the United States also presented a number of proposals. On the basis of proposals made by both sides a closeness of viewpoints was reached. We highly value the proposals presented by the Soviet Union which are of particular importance and will undoubtedly have a great influence throughout the world, including the United States of America, in the struggle for disarmament and peace. [applause]

One can state that the proposals by the Soviet Union demonstrate a new approach to nuclear disarmament, to the policy of peace, and that this opens up prospects for the successful progress of the struggle for achieving disarmament and peace. However, in general, this requires that all countries, and especially the United States, should proceed to a new approach to problems, proceeding from the fact that a nuclear war can never be won and that it means the destruction of mankind. Therefore, everything must be done to completely eliminate nuclear weapons from our planet once and for all. [applause]

As the statements of the participants in the meeting in Iceland prove, the main reason for not achieving an understanding on problems regarding nuclear weapons and other issues is the position held by the United States of America, by President Ronald Reagan to continue the program of the so-called Star Wars which in fact means proceeding to the militarization of outer space. The peoples expected certain results from the Soviet-American summit meeting in Iceland. Undoubtedly, it would have been very good if at least on some of the problems discussed accords of tangible understandings had been reached.

Although it was not possible to achieve accords in Iceland, the very fact, however -- as the Soviet and U.S. leaders stated -- that certain common or very close viewpoints were reached regarding certain common or very close viewpoints were reached regarding certain issues, creates possibilities for acting in the future to solve them. In light of what is known about this meeting, one can draw conclusions for the future: the first conclusion is that on the basis of negotiations conducted in the desire to achieve understanding, it is possible to achieve appropriate accords on the most complicated problems, including appropriate accords on eliminating nuclear weapons, conventional disarmament, and a policy of peace.

The second conclusion, in our view, is that over scores of years great mistrust and many problems have accumulated which cannot be solved in a short time but through a global approach. The third conclusion is that a new approach to world problems is required, primarily to the problems of nuclear weapons. It is necessary to complete renounce -- by all nuclear-possessing states, primarily the two great nuclear powers -- the mistaken and outdated concept according to which nuclear weapons strengthen the defense and security capacity of states and contribute to preserving peace in the world.

At the same time, the United States must renounce "Star Wars", which by no means can ensure better security for the United States of America. On the contrary, it increases insecurity and the danger of a nuclear war; it will lead to the development of the arms race in outer space.

A further, more general, conclusion is that world problems cannot be solved by the two super powers alone. It is necessary for all states and peoples, irrespective of size or social system, to participate in resolving them. The conclusion without results of the meeting between the leaders of the Soviet Union and the United States of America has led to many kinds of commentaries -- both negative and positive. One can assess that there is general dissatisfaction because a moment was lost that could have brought about a radical change in the international situation toward nuclear disarmament, general disarmament, and toward developing trust and international cooperation. This has, in fact, led to the intensification in Europe and in the United States of America of actions favoring a realistic policy of disarmament and peace. We hail the fact that both leaders of the Soviet Union and the United States of America declare that the understandings and the closeness of positions achieved in Iceland must by no means be lost, but that negotiations must be continued, proceeding from the common positions which have been reached.

Romania favors the continuation of the dialogue on this basis and new meetings, including Soviet-American summit meetings. There is no other way than the one of negotiations, of accords for cooperation and disarmament in order to eliminate nuclear weapons and reduce conventional weapons. Any other approach is not in keeping with the interests of peace and, in fact, constitutes a policy of war. [applause]

Only such a policy [of cooperation and disarmament] is in keeping with the interest of both the Soviet and U.S. peoples and with the interest of people throughout the world and with the general cause of cooperation and peace. [applause]

Esteemed comrades, a very grave situation has been created in Europe because of the deployment of a great number of all kinds of nuclear weapons and the concentration of the largest number of conventional weapons. In this situation a nuclear accident, without even talking of a nuclear explosion, endangers the lives of all peoples in Europe. Proceeding from this grave reality, I once again want to appeal on behalf of the Romanian people to leaders of states, to governments, and to the peoples in Europe to unite their efforts and do all they can to save the nations on the European continent from a nuclear catastrophe, from destruction, and to achieve disarmament and peace. [applause]

Now, more than ever, all European countries must assume their responsibility and act with utmost determination for disarmament and peace. We are of the opinion that a start should be made from the fact that, in the current international balance of forces -- in which the United States and the Soviet Union play an overwhelming role -- Europe, in a united way, can make a very significant contribution to solving the complex problems of the international situation. Both from the military and political, economic, scientific, technological, and cultural points of view Europe continues to represent an important factor in the context of the development of the international situation. One can state that there is no force more important than Europe, which can contribute to solving international problems and to achieving an agreement between the Soviet Union and the United States. Without underrating the role of other forces, one must say that no other continent and no other force apart from Europe can play such an important role in bringing about the passage to negotiations and contributing to the attainment of appropriate agreements between the Soviet Union and the United States on the issues of nuclear weapons and conventional disarmament, and on finding solutions to other complex international problems. Therefore, it is necessary for Europe and the countries on this continent to fulfill their role, assume their responsibility, and act with utmost determination to solve the serious problems of the continent and of the international situation. Now, more than ever, the European countries must be much more active and must do all they can to attain closer cooperation among them on the issues of disarmament and peace, and on socioeconomic development issues. Toward our peoples and the whole world we have a great responsibility to strengthen the unity and cooperation among European countries, starting from the diversity of social systems. Only in unity can Europe play more important role in finding solutions to the complex international problems, aimed toward peace. [cheers, chants]

Likewise, we believe that the attainment of an understanding between the Warsaw Pact member-countries and the NATO countries would have particular importance. The situation created after the conclusion of the Iceland meeting, the efforts of the two groups of countries belonging to the two military blocs should be intensified with a view to disarmament and peace. At the same time, it is necessary to develop cooperation among all the countries of the European Continent. Taking into consideration the close position on the issue of medium-range missiles in Europe, we believe that negotiations should continue in order to conclude -- in the shortest time possible -- an agreement on eliminating medium-range missiles from Europe, on the part of both the United States and the Soviet Union; and at the same time the continuation of negotiations should be ensured in order to attain an agreement on eliminating all nuclear weapons from our continent. Taking into consideration the fact that these weapons concern the European countries, the NATO countries and the Warsaw Pact member-countries should participate directly in these negotiations. At the same time, we believe that negotiations should continue in order to attain an agreement on a 50-percent cutback -- as a first stage -- of strategic weapons. Everything possible should be done to attain a general agreement on the part of a nuclear states to completely halt nuclear tests. Romania believes that all nuclear states should engage in negotiations for the halting of tests and the complete elimination of nuclear weapons. Even if some of these countries were ready to start reducing nuclear weapons to a further degree, they must assume their responsibility to renounce nuclear weapons and act in accordance with the requirements of public opinion and of peoples throughout the world for the elimination of all nuclear weapons from all countries of world. [cheers, chants]

Likewise, I stress again that it is necessary for the United States to give up Star Wars and the militarization of outer space, and to embark most resolutely on the road toward completely eliminating nuclear weapons.

We are for the attainment of an efficient system of international control with respect to the complete fulfillment of the commitments, understandings, and agreements on issues of nuclear and general disarmament.

The Socialist Republic of Romania believes that it is also necessary to proceed to a radical cutback on conventional weapons, so that at a minimum a 50-percent reduction in arms, troops, and military expenditures is attained by the year 2000. In this respect, we believe that the appeal program of the Warsaw Pact socialist member - countries for a 25-percent cutback on arms, troops, and military expenditures by the year 1990 is a first important stage on the road toward conventional disarmament. We expect the appropriate response and proposals from NATO countries and from other European countries. We have the great responsibility toward our peoples to do all we can to develop confidence and security and achieve disarmament in Europe and throughout the world. Now, more than ever, it is necessary to pass from declarations to real and concrete actions for disarmament. In this respect, starting from its consistent disarmament and peace policy, Romania is ready to proceed to the complete fulfillment of the conventional disarmament program, considering it as the first stage in the radical cutback of conventional weapons -- by at least 50 percent -- by the year 2000.

Esteemed comrades, the GNA agenda includes the draft bill on the unilateral, 5-percent cutback on troops, arms, and military expenditures, as of this year, and the organizing of a referendum through which our whole nation can democratically express its opinion on this important issue of our party and state policy. This proposal is based on the decision taken by the Working People's Congress, the great forum of the workers' revolutionary democracy, which unanimously agreed to propose to the whole nation Romania's unilateral move to real disarmament measures. This is an expression of the desire of the working people and our whole nation to make an active contribution to the cause of disarmament and peace throughout the world. [cheers, chants]

From the rostrum of the GNA, I call on the whole Romanian nation to give a positive answer to this proposal in the referendum, which will be organized in November.

Dear comrades and friends, citizens of socialist Romania! Let us demonstrate, through our vote, our desire for the unilateral, 5-percent cutback on arms, troops, and military expenditure, the Romanian people's unflinching will to bring about disarmament, primarily nuclear disarmament, and our people's determination to embark with all its energy on the road of, and actively participate in the struggle for, a world free of weapons and wars. [cheers, chants]

Likewise, from the high rostrum of the GNA, on behalf of all our people, I solemnly call on all European countries and the United States and Canada to proceed -- each of them, unilaterally -- to a 5-percent cutback on arms and military expenditures. Such a measure will not and cannot endanger the security and the sovereignty of anyone. But, by proceeding to concrete and real disarmament actions, the will of each nation will be demonstrated to proceed on this road and do all it can to diminish tension and the danger of war, and achieve general disarmament, and cooperation and peace among all the nations of the world. [cheers, chants]

In general, Romania believes that starting from the new achievements a new, more daring approach to this issue is needed, in order to proceed on the road of disarmament, peace, and cooperation.

Our country hails the successful conclusion of the Stockholm conference, which, through its results, has demonstrated that it is possible to achieve appropriate agreements if each side takes action in the same direction. We speak out for the conclusion -- in the shortest time possible -- of the Vienna talks on reducing forces in central Europe. Taking into consideration the goals of these talks and the reduction -- as a matter of fact symbolical reduction -- of forces and arms, we believe that it is possible to achieve the conclusion of these talks with positive results in the shortest possible time.

This would have not so much military as political significance, demonstrating once again that it is possible to achieve concrete agreements on the road of disarmament.

Likewise, Romania takes most determined action to develop cooperation and friendship with all the Balkan countries, in order to turn the Balkans into a region of peace and cooperation without nuclear and chemical weapons. We also support the achievement of such zones in northern and central Europe as well as on other continents.

The new Conference on Security, Cooperation, and Disarmament in Europe will start at the beginning of November in Vienna. We believe that it is necessary to take action from the very beginning and Romania will do its utmost to ensure the appropriate development of this conference so that it may take new steps toward strengthening cooperation and collaboration among all European nations, toward disarmament and toward a united Europe of peace and cooperation. [applause]

Esteemed comrades, our country most resolutely speaks out for halting all military conflicts in various parts of the world and for solving all interstate conflicts, solely through negotiations. We speak out for political solutions to the Middle East issues, for the attainment of a lasting and just peace, which can ensure overall solutions to all issues, primarily the Palestinian problem, based on the Palestinian people's right to self-determination and to establish an independent state. In this respect, we believe that an international conference under the aegis of the United Nations, with the participation of all interested countries, including the PLO and Israel, as well as the permanent members of the Security Council, should be organized. In this respect we are for a preparatory committee which should also include both the PLO and Israel.

Likewise, we believe that everything possible should be done to bring about an end to the Iran-Iraq war in the shortest possible time, the renunciation of all military actions that cause great human and material loss to both countries, and solutions to the two countries' problems through negotiations.

At the same time, we speak out for finding solutions to the conflicts existing in other regions of the world, solely through talks and negotiations. Romania firmly supports the peoples' struggle against colonialism, neocolonialism, and for defending and consolidating national independence of each nation. We most firmly condemn the racist policy of apartheid in South Africa and we fully support SWAPO [South-West African People's Organization] in its struggle for the Namibian people's independence.

In the current international situation Romania most resolutely speaks out for a responsible and new approach to the serious international issues by all countries. More than anything, the issues of peace must be considered first, as must ensuring the necessary conditions so that the great means used for armament, should be placed in the service of socioeconomic development and solving serious socioeconomic issues, including the issues of underdevelopment.

We must do all we can to have the wonder achievements of science and technology and of human knowledge in general placed only in the service of socioeconomic progress and to have them serve the socioeconomic development, well-being, independence, freedom, and sovereignty of each nation. [applause]

Esteemed comrades, the strong development of economic exchanges and of production cooperation with all countries of the world, is a very important part of our country's international activity.

We consistently start from the fact that developing international economic and technical-scientific cooperation is an important factor for the international situation and for the policy of peace in the world. We attach great importance to fulfilling the long-term agreements with the CEMA member-socialist countries, and scientific-technological cooperation agreements up to the year 2000. We believe that decisive measures are needed to implement these agreements, appropriately fulfill cooperation and production sharing, and jointly solve the complex scientific and technological problems, with a view to unflinchingly implement the decisions of the party congresses of each country and the socioeconomic plants.

Likewise, we are developing broad economic and technical-scientific relations with all socialist countries. We attach great significance to strengthening cooperation and solidarity among socialist countries in both the political and economic fields as an important factor in the struggle for progress, disarmament, and peace throughout the world. Likewise, Romania attaches great significance to developing economic relations with developing countries and attaining production sharing ventures with these countries with a view to ensuring their independent socioeconomic development. Generally we consider relations with developing countries as part and parcel of the struggle against neocolonialism and underdevelopment, for progress, disarmament, and peace.

At the same time we are broadly developing the economic and scientific-technical relations with developed capitalist countries in the spirit of peaceful coexistence. We believe that this is an important part of the struggle for the socioeconomic development of each nation, for disarmament and peace throughout the world. We are determined to participate actively in the international division of labor and in the international exchange of material and cultural values. With regard to international problems in their full dialectical unity, we believe that we must do all we can, both in the direction of intensifying economic, technical-scientific, and cultural cooperation and in finding solutions to the complex international problems, in order to ensure lasting peace and full respect for each nation's independence, something that can ensure each nation's socioeconomic development and an improvement in its well-being from every point of view. This is fully in keeping with the interests of each nation and the interests of peace and cooperation throughout the world. [applause]

Taking into consideration the very grave economic situation, the accentuation of the world economic crisis, and primarily the constant worsening of the situation of the developing countries, Romania firmly advocates a global solution to the problems of underdevelopment and a few international economic order. In this respect we believe that it is necessary to organize an international conference within the United Nations, which should be attended by both the developing countries and the developed countries, in order to achieve appropriate accords on all problems, including a global solution to the foreign debts of the developing countries.

In international economic and financial bodies and in the United Nations, Romania has presented a number of concrete problems; they are well known and therefore I do not want to refer to them now. The problems of underdevelopment and of the new international economic order, including the problems of foreign debts, are not only economic but mainly political problems. They require a new approach, a political approach, by proceeding from the need to achieve new relations of full equality and equity which will permit the progress of each national economy and, primarily, the more rapid development of the developing countries, and which will ensure the smooth development of all states and of the world economy on the whole. Today such an approach and solution is an objective requirement and represents a factor of particular importance for resolving the serious problems of the world situation, including the problems of disarmament.

We must proceed from the realities of the present-day world, from the fact that there is an interdependence and interrelationship between problems of economic underdevelopment, political problems, and problems of disarmament. Only a comprehensive, new, democratic solution to these problems will open the road to a world of justice, and social equity, the road to a better and more just world on our planet. [applause]

Taking into consideration the serious problems of the international situation, it is necessary for all states, irrespective of their size of social system to actively participate in resolving them. I want to particularly stress the need to strengthen cooperation among small- and medium-sized countries and developing and nonaligned countries and to ensure their more active participation in resolving all international problems. At the same time, we advocate an enhancement of the role of the United Nations and of other international bodies in resolving the major problems of the present-day world.

The RCP firmly favors broad cooperation with all Communist and workers parties, with the Socialist, Social Democratic parties, and with other democratic parties, progressive forces and national liberation movements, and with all organizations favoring disarmament and peace and firm respect for each people's independence and sovereignty. We are firmly convinced that strengthening solidarity and cooperation among these political forces is of great importance within the great struggle for disarmament and peace, for socioeconomic progress, and for the respect of each nation's independence. [applause]

Although the international situation is particularly serious, we are firmly convinced that there are forces in the world and that united action by all peoples can and will bring about a change in the international situation, the transition to real disarmament measures, and to resolving all complex problems of the international situation in the interest of each nation and of cooperation, freedom, independence, and peace throughout the world. [applause, chants of "Ceausescu-peace"]

From the high rostrum of the GNA, on behalf of the Romanian people, once again I want to appeal to all state, peoples, and parliaments throughout the world to cooperate more closely to bring about the triumph of reason, to achieve disarmament, and ensure the freedom and independence of peoples, a new economic order, and a world of peace in which each nation will be able to develop freely, without fear of an aggression or interference in its domestic affairs. [applause]

From this high rostrum, I want to assure our friends abroad and all peoples in the world that the Romanian people will do all they can and will spare no efforts to contribute to the victory of the cause of disarmament and peace and to achieving a better and more just world on our planet. [applause, chants of "Ceausescu-Peace"]

Esteemed comrades, discussing international problems and pledging to act with great determination to solve them and to achieve disarmament and peace, it is necessary to support this policy in intensifying efforts aimed at unswervingly fulfilling all indexes of the 1986 plan, thus setting a lasting basis for fulfilling the overall 1986-90 5-Year Plan which will ensure our homeland's transition to a new stage of development. We must constantly bear in mind that socioeconomic development is part and parcel of the international activity, that successes achieved in socialist construction, the socioeconomic development, and an improvement in the material and cultural standard of our people, and the strengthening of our homeland's general forces are the most important contributions to the struggle for a lasting solution to world problems, to disarmament, and to peace in the world. [applause]

In conclusion, from the high rostrum of the GNA I wish all working people and all our people further and further successes in their activities and fresh accomplishments in their work and in their lives. I want them to do all they can to unswervingly implement the programs and plans aimed at raising our homeland to new heights of progress and civilization and at constantly strengthening our material potential, and Romania's independence and sovereignty. [cheers, chants of "Ceausescu-Romania, our pride and esteem"]

NICU CEAUSESCU RECEIVES POLISH YOUTH DELEGATION

AU272031 Bucharest AGERPRES in English 1939 GMT 27 Oct 86

[Text] Bucharest AGERPRES 10/27/1986 -- A delegation of the Union of Polish Socialist Youth (UPSY), led by Jerzy Szmajdzinski, chairman of the UPSY Central Board, are exchanging experience in Romania at the invitation of the CC of the UCY [Union of communist Youth]. On October 27 the delegation were received by Nicu Ceausescu, alternate member of the CC of the RCP Executive Political Committee, first secretary of the CC of the UCY.

Experience was exchanged on the occasion on the concerns of the two organizations. Reference was made to the friendly and cooperative relations between the UCY and the UPSY, between the Romanian and Polish youth that witness an upward course.

Questions were also approached related to the international youth and student movement with stress on the need to strengthen the unity of action of the democratic and progressive youth everywhere in the fight for disarmament, nuclear disarmament in the first place, for democracy, social progress and peace in the world.

Stoian Receives Group

AU281915 Bucharest AGERPRES in English 1703 GMT 28 Oct 86

[Text] Bucharest, AGERPRES 10/28/1986 -- The leaders of the delegation of the Union of Polish Socialist Youth (UPSY), now visiting Romania, were received on October 28 by Ion Stoian, alternate member of the Executive Political Committee, secretary of the CC of the RCP.

During the interview reference was made to the friendly and cooperative ties established between the RCP and the PUWP, between the two countries and peoples.

Stress was laid on the young generation's role in the peoples' fight for disarmament, peace, detente and understanding throughout the world.

Nicu Ceausescu At Rally

AU281911 Bucharest AGERPRES in English 1705 GMT 28 Oct 86

[Text] Bucharest, AGERPRES 10/28/1986 -- During the visit the delegation of the Union of Polish Socialist Youth (UPSY) led by Jerzy Szmajdzinski, chairman of the UPSY Central Board, are paying to Romania, a meeting of th friendship between the Romanian and Polish youth was held in Bucharest on October 28.

Nicu Ceausescu, alternate member of the CC of the RCP Executive Political Committee, first secretary of th CC of the UCY, and Jerzy Szmajdzinski, chairman of the UPSY Central Board, took the floor on the occasion.

BELGRADE TV INTERVIEWS FEC PRESIDENT MIKULIC

LD250310 Belgrade TANJUG Domestic Service in Serbo-Croatian 0956 GMT 24 Oct 86

[Interview with FEC President Branko Mikulic by Aleksandar Djulejic broadcast on Belgrade television the evening of 23 October]

[Text] Djulejic: The team of the Joint Information Program wishes you a good evening. Comrade president, thank you for coming to be our guest. Our guest is Branko Mikulic, FEC president. On behalf of all our viewers, good evening to you.

I assume that you do not keep statistics on your own work, but I will tell you: Today is the 161st day since the start of your mandate. You have carried out 11 percent of your mandate, which means that you still have nine times that much, or to be more precise, 1,300 days. How do you assess what you have done in those first 161 days?

Mikulic: Both you and our public know that in the first half of the year, we were facing quite negative tendencies in our economic development. From January right through September production was showing a declining trend. Exports were also seriously falling.

In that period we also had negative results in the country's current balance of payments. We had runaway prices and inflation. Consumption was booming, so we were exposed to the danger of having a declining trend in economic activity as a whole. This led us to take a number of measures in June and July with which we hoped, on the one hand, to encourage production and exports, and on the other to bridle consumption, or rather demand, in order to effect a reduction in inflation.

We have analyzed what was done in the third quarter, because the measures had an effect on trends in that particular quarter, and I would like to say the following about this:

In September, the first month since January, production did not experience a falling trend. It was maintained at the level of the previous month. Exports showed a growth tendency. This is continuing in October.

This year we have had better agricultural production than last year. The "harvest" from tourism has also been better than last year, despite the very serious problems in the current balance of payments in the first half of the year and in the subsequent months. We will end this year with a balance of payments surplus. This will be the fourth year that Yugoslavia has had a favorable balance of payments. I would add, moreover that this is being achieved this year under conditions where, despite interest repayments, we are reducing the absolute amount of foreign debt to quite a significant extent. For the moment, this is about 960 million...

Djulejic: You are counting on that going to a billion dollars?

Mikulic: I am reckoning on it being over a billion dollars. In the past quarter, the average monthly rise in prices was 30 percent lower than in the first part of the year. That is the most important thing that is happening today in our country.

These are, in a certain sense, positive results. However, we are not satisfied with the results, seen as a whole, in reducing price rises, demand, and general and joint consumption because they are increasing at very high rates.

We cannot yet speak of results in restricting uneconomic investments. We should look at these on the basis of the periodical accounts for the 9 month period.

I would just like to add that I believe we cannot be satisfied with what is happening in the area of fiscal and credit policy, because in June and July we purposely approved measures that we hoped would encourage preparations for exports, as well as agricultural production, from the new money issue. However, it turned out -- and this we have now established -- that quite a large part of these funds has been used for other purposes, which is misuse, and we will raise the question of the accountability of the business banks that acted in this way. In addition, quite a large amount of money has been issued through illegal channels...

Djulejic: ...Although that was not the agreement...

Mikulic: ...On the contrary, the agreement was quite the opposite; but people behaved in an irresponsible manner toward the policy adopted.

Djulejic: That was a general assessment, and now something specific: When you came to the head of the FEC, you said on several occasions that you would call for the realization of what was established or what was set out in the long-term program of economic stabilization. However, there are those who think that you have diverged from this in places. Most frequently it is interest rates and the real exchange rate of the dinar that are mentioned.

Mikulic: You know the thing is, we have to make ourselves clear on this question.

First, something on interest rates. In July we reduced the discount rate of the National Bank of Yugoslavia from 73 to 56 percent, according to the model that was applied on the recommendation of the IMF. The IMF recommended that we should calculate interest by taking into account price trends in the previous 3 months and projected trends, in other words the projected inflation for the coming 2 or 3 months.

When the IMF suggested this to us, it is certain that they themselves assumed that we would not plan for those 2 or 3 future months a higher rate of price increases, or rather inflation, in order to arrive at realistically favorable interest rates. But rather, they themselves assumed that we would go for a somewhat lower planned rate of inflation.

In July we adopted the model of three plus four, that is 3 previous months and 4 future months. Now, in September when we debated this and assessed the price trends, it was necessary to make a small correction in the discount rate of the National Bank of Yugoslavia in order to arrive at realistically favorable interest rates.

In the talks the governor of the National Bank of Yugoslavia and the federal secretary for finance had with IMF representatives, however, they put forward another approach: that a real favorable interest rate should be calculated on the basis of the real increase in prices achieved in the past 3 or 6 months, without planning inflation. The IMF accepted this as a perfectly realistic solution. Had we applied the model of price trends in the previous 3 months, we could have reduced the discount rate by four percentage points and still have had a real favorable interest rate two percentage points above the level of inflation.

However, let us not argue over this. I do not think that this interest rate is realistically favorable. I would add, however, that we are talking only about the real positive discount rate of the National Bank of Yugoslavia and we are not talking about what is happening in business banking, and in fact, there are such large breaches here.

The fact is that the business banks invest 65 percent of their capital at an interest rate that is lower than the discount rate of the National Bank of Yugoslavia. So much for interest rates.

For the coming period, for the coming year we are very seriously studying and preparing a different model for calculating interest rates...

Djulejic: But to date, this has not been resolved?

Mikulic: No! And we will be conducting a discussion on this in the following months. We also have involved scientific institutions in this.

As far as the exchange rate is concerned, I would like to say that we have -- in accordance with the aims of the long-term program of economic stabilization -- made prompt adjustments to the exchange rate of the dinar against a basket of currencies this year. Certain things have been happening in the dollar area so that there are now complaints that this exchange rate is not realistic vis-a-vis the dollar! Tomorrow it will be shown that it is not realistic against the Deutschmark, and the day after tomorrow perhaps against the franc, and so on. We, however, have come out for a model for adjusting the dinar exchange rate against a basket of currencies if some other model is required, we should open a debate and agree what this model should be.

Djulejic: The recent law adopted on limiting personal incomes has been referred to by some as "Mikulic's law." Has it been useful?

Mikulic: We are all in favor of realizing the aims of the long term economic stabilization program, but according to our own measure, for as long as someone, either a collective or an individual, tolerates it!

We were quite clear in the long term economic stabilization program about harmonious relations between gross personal incomes and accumulation in relation to funds invested. These relations were set out in the social contract on the distribution of personal incomes. A number of collectives in Yugoslavia did not adjust their self-managing agreements to this social contract. With the intervention law, we insisted that this should be harmonized, that is that personal incomes and accumulation should be brought into balance.

However, we should say that for a long time we have been spending about 10 percent more than the value of our social product. We got used to spending more than we have. On the whole, we must introduce more order in consumption, and consequently in personal incomes. You all know that there is a great deal of disorder in this field. For instance, let me mention some very high personal incomes in some organizations of associated labor, which range from 500,000 to 600,000 dinars. When we compare these to the personal incomes of the highest-ranking officials in the federation, which amount to 249,410 dinars, we see that on the other hand, many families, especially in towns and industrial centers, earn a very low income. These are abnormal things which should be sorted out in an appropriate way, by a social contract.

Djulejic: You said that prices increased at a slower rate. However, now when the "third packet" is to be submitted to the FEC, there comes a period for unfreezing prices.

Over 2,000 requests for price increases have been received. Some want a two fold increase, some even more than that. For instance, the Ivo Lola Ribar factory for wood processing tools demands a 50 to 247 percent increase; Zlatorog from Maribor 111 to 230; the Jasterbac Factory for industrial machine accessories from Nis 230 to 300; and standard from Bosanska gradiska 30 to 300 percent. What are you going to do about it?

Mikulic: It is true that we received 2,650 demands for price increases, including ones of a kind that you just mentioned. However, all these demands will not be dealt with in November. Some will have to wait until January or February. It all depends on when the demands were submitted. We warned producers that this was not a normal increase. We are already taking some steps in credit-monetary policy in order to take away from such organizations loans for crediting stocks, and some of them will be faced with the FEC's strict price controls.

The increase of retail prices this year will be higher than the growth of producer prices, because of this year's free formation of trade margins, and because some of the prices of foodstuffs went up. Also in July, we increased the prices of derivatives. The elimination of disparity in energy has also led to increases which affected consumer goods, these being specific reasons for a speedier growth of consumer goods' prices in keeping with market conditions. All this has led to the retail price increases.

Djulejic: When you were presenting the FEC platform you said that a general attitude in society to the law and the constitution should be changed. Is there a general moral erosion in society?

Mikulic: I am convinced that we are realizing the aims of the long-term economic stabilization program in a rather unfavorable atmosphere.

In principle it is less difficult to seek agreements on measures that should be passed, but once they are adopted and begin to be implemented we try to find excuses for ourselves and attempt to find a way out of what we had agreed upon. We do not implement the aims adopted. This failure to implement the adopted policy and even the constitution and the law, has become a rule here. I fear that, if this continues, it will even become a "virtue."

This is a very serious question that cannot be resolved by the FEC alone, and neither can the FEC be the only one to influence an improvement of the situation. This is the kind of situation that leads to a conclusion that we are in a very difficult situation which requires a speedier and more radical change of behavior.

Djulejic: Comrade President, you are a realistic man. Do you belong to the category of people who think that there could be social unrest and workers' strikes if this situation continues?

Mikulic: This question is similar to the one about the restriction of personal incomes. The realization of the aims of the long-term program will certainly lead to an ever-increasing exacerbation of the conditions in which we live and work, as well as to a differentiation between people with progressive ideas who have a high work productivity and who will prosper. Personally, I am worried that a part of the population in cities and industrial centers have found themselves in a rather difficult situation because of inflation. However, the other part of the population, which is not negligible, continues to live very well. Real personal incomes are growing together with consumer turnover. There is a considerable number of trips abroad. This applies to a part of the population with a high standard of living.

Djulejic: If there were appropriate conditions for this in the enterprises, workers would surely want to work. But these working conditions do not exist.

Mikulic: This is a question of motivation for better work. It is the question of systemic and other conditions in which people are living and working. We are in the process of preparing systemic changes that will encourage more productive and more rational work. It is certain, however, that there are numerous shortcomings in the distribution of personal incomes. The leveling [of salaries] is rather powerful. The differences in personal incomes are great, depending on where one is working and not on how he is working, even from the regional point of view. I do not doubt for one moment that there is a great deal of problems here. They cannot be overcome by work stoppages and similar attempts, but only by working.

Djulejic: Comrade President, did you expect that it was going to be difficult when you assumed this duty?

Mikulic: What duty?

Djulejic: The duty of the FEB president?

Mikulic: Well, I did not fall from the sky to the FEC. I knew there were going to be difficulties. I did not suspect such powerful resistance, however, and that privileges and partial interests were going to be defended with such arrogant methods and means.

Djulejic: A "third packet" will arrive in the assembly on Monday and then, during next week, a discussion will open. Some say that these are radical steps, a new reform? What do you say?

Mikulic: In the course of the realization of the first phase of the stabilization program systemic laws were adopted. However, we have been tackling the question of inconsistencies and compromises since July, particularly in places where consumption, irrationality, low productivity, mediocrity and other phenomena are present. We spent a lot of time analyzing the factors that hinder the introduction of realistic conditions for economic activity. On the basis of this analysis we decided to propose to the SFRY Assembly the amendments and addenda to the systemic laws. This would complete work on the first phase of the long-term program which, in our opinion, has not been consistently implemented.

Djulejic: Who is actually against these radical changes? Who is preventing the FEC from speedier action?

Mikulic: We should not look for them according to some kind of regional belonging. All those who have privileges, who can live comfortably, are bound to be against the changes, whether they come from Bosnia-Herzegovina, Macedonia, Slovenia, Croatia, Serbia, or anywhere else.

Djulejic: Who now profits from inflation? Who are the ones not complaining?

Mikulic: All those who have a monopolistic position on the market, which is a closed one, without a foreign and domestic competition, and the ones who can realize as many resources as they need by increasing prices.

Djulejic: I cannot help asking you this question. There is a proposal that next year a regulation will be brought about that will reduce tax and contribution for the benefit of the workers and second, that personal incomes will be reduced. Is this a realistic proposal?

Mikulic: As far as the first question is concerned, it should be our orientation both in tax policy and the tax system to stimulate and encourage the better use of capacities and greater employment because the degree of the exploitation of capacities is very low. Collectives in these conditions of equal tax rate are not particularly interested from a material point of view, and are not in favor of shift-work, and are satisfied with an average standard of living.

Djulejic: There is a view that different tax rates in Yugoslavia cause inequality among the working class. In the "third packet" you attempted to level the tax policy. What needs to be achieved?

Mikulic: We propose to the republics and provinces to achieve a social contract that will influence the elimination of shortcomings. Our aim is to develop the tax system in such a way that economic impetus and the better use of capacities are more pronounced, as well as greater employment. Also, the tax policy should not remain only a fiscal one, but should have a social content.

I am going to say openly here, that in talks I had with representatives of other countries and international financial institutions I was told that our tax policy was a less social one than that in the United States. I also think that our tax system and tax policy are burdened by numerous weaknesses. In this connection, what are you talking about? You see how great the tax burdens and personal income burdens are! This is then transferred to the prices on the unified Yugoslav market and causes the transfer of income, which brings the workers in associated labor into unequal conditions.

Djulejic: There is talk of some sociopolitical communities, in their intention of relieving the economy, proposing a tax on privately owned apartments, a tax so severe that that the tax people pay would be three times more than the amount of rent. What does this lead to?

Mikulic: First, I do not know where these proposals come from and whose they are but I think that this is untenable. We are inclined toward economic rents, which we cannot introduce all at once. As for a tax on private apartments, instead of this we should be thinking of revaluing credits that are invested in housing construction. Presently people are repaying credit with a packet of cigarettes!

Djulejic: In the "third package", or the autumn measures, there is no small-scale business, though it was said that we would attempt to equalise the conditions of small-scale businesses as a whole.

Mikulic: A social contract on small-scale business is in the process of being agreed upon by the republics and provinces. We expect it to be adopted by January next year. The matter is therefore in hand. The thing is, it has not yet come about and this is a very serious question.

The FEC intends to devote much attention to the development of small-scale business. Both with the social contract and otherwise we must reduce this large body of administrative regulations, in other words, the restrictions on the development of small-scale business. We must guarantee long-term stable conditions to people who stimulate the development of small-scale business with their personal funds.

Djulejic: A law has been passed enabling people to invest their money in the social economy. This opens up work places where many will be employed. The cost of traveling abroad and other luxuries are great, but obstacles occur. [as received] Is this merely dogma or something else?

Mikulic: I believe that the development of small-scale business and the involvement of personal resources is a question we must explain in society. There is dogmatic resistance and other things here. There are many administrative restrictions. There are our burdens from the past and we must explain these. Without any doubt whatsoever we must rely more on the personal funds of citizens to stimulate Yugoslavia's dynamic development and involve employment problems.

For a long time we have been suffering from the disease of believing that employment can be solved merely by developing industry. However, in the world, for example in the United States, in a country that is highly developed, the greatest number of newly employed among the workforce is in the production and service sectors that employ up to approximately 20 workers.

In the next few days we will be holding a meeting in the FEC with a group of our workers abroad to hear what bothers them about investing their funds in Yugoslavia. The point is, we want these funds to be directed as far as possible into investments in the country. Presently it is supposed that our citizens, in their accounts, or in their pockets, or wherever, have funds that are equal to the amount of the Yugoslav foreign debt.

Djulejic: Let us now return to those who are in a good position. Fourteen years ago we had an antimonopoly law and later we adopted a social contract and made agreements on prices and presently again there is a law against monopolies, which is much more severe and which is squeezing out "self-managing agreements" on prices. Will you be able to reverse this situation?

Mikulic: Last night at the FEC session we adopted draft changes to the law on prices and to the law on combatting monopolistic behavior. I do not see any reason why this should not be accepted, in view of the fact that there are unusual things in the market. No one can be responsible for this.

Last night we discussed the fact that the closing of our market has acquired such proportions that local inspectorates, protecting their organization, are not permitting organizations of associated labor from other regions to bring their goods to their market and to sell at lower prices. They proclaim these to be dumping prices.

Djulejic: What is your view of the monopoly position. There is a lot of disagreement about this.

Mikulic: Two things should be made clear here. First, income that is the result of natural conditions, should remain with organizations of associated labor -- in other words in the republics, provinces, and municipalities -- and should be channeled into developing production forces. So, wherever it is, income acquired on the basis of naturally advantageous conditions, this part of income should remain with the organizations, municipalities, republics, and provinces and be channeled into a management fund or used for development purposes. From this, however, we should separate monopoly income, which is acquired on the united Yugoslav market with an above-average growth in prices and with a monopoly position. This part of the income, in the view of the FEC, should be taxed and used for the common needs of the economy, for stimulating agricultural production and exports for the Yugoslav economy as a whole and should not be left to those who are in a monopoly position.

Djulejic: We talk of the economy needing to be relieved or at least of not increasing the burden of it. How do you view this in the FEC? To what extent is it realistic?

Mikulic: We cannot go along with the request for making further demands on the economy. Demands on the economy must of necessity be reduced. This year they have grown to a frightening extent in individual republics. For example, income tax has increased by as much as 822 percent and personal income tax by as much as 597 percent! Come on now, surely there should be no doubt of the need to relieve the economy? There also should be talk of reducing current appropriations because the economy cannot withstand the existing burden!

Djulejic: What, in concrete terms, is the FEC proposing?

Mikulic: In connection with the systemic law, especially the law on the accounting system, we have proposed a solution that would have an influence on reducing consumption as a whole and on harmonizing it with real, achieved, and not planned, income.

Djulejic: You said that in order to reduce economic intervention, expenditure must also be reduced. May I ask you whether the FEC will give a direct example of how this will work next year?

Mikulic: On this matter we should explain what the federal budget is. I would venture to claim the following, too: What we have established as the joint needs and joint interests, that are financed out of the federation budget are: the Yugoslav People's Army, benefits for veterans and those made invalids as a result of the war, military pensions, and supplementary funds for financing social services in the economically insufficiently developed republics and the Socialist Autonomous Province of Kosovo. We have affirmed this as the common interest of Yugoslavia and on this we achieved agreement. This is more than 90 percent of the federal budget. There remains, therefore, 10 percent for everything else. But we have now proposed rebalancing the federal budget and if you ask me what is being proposed in concrete terms, it is that the rebalancing be carried out without further burdening the economy.

In fact, it is well known that the federation is also financed out of basic turnover tax; 50 percent is channeled into the federation budget and 50 percent is retained by the republics and provinces. This year, on the basis of this tax, surplus revenue has been generated. This has so far not been able to be spent either in the federation budget or in the budgets of the republics and provinces, as decisions on rebalancing have not been adopted. We have proposed that the part of this from the republics and provinces be used for covering the needs of the federation budget, thus not further burdening the economy.

Djulejic: As far as I know it has been spent on something.

Mikulic: This should not have been done!

Djulejic: Now, if I may ask what is happening with this "third package". Or, as you call it, third phase?

Mikulic: It is better to say basket or hand-cart [kolica].

Djulejic: This "package of measures" comes before the assembly on Monday. Is the assembly going to use the restricted procedure so that it can be adopted by the end of the year? If it is not adopted, it will take longer, but if we proceed from what is normal, what remains of this to be done in 1987?

Mikulic: According to what I was told by Ivo Vrandecic, president of the SFRY Assembly, the mood in the assembly is for a procedure to be employed so that by the end of the year we can adopt systemic laws together with a resolution.

Djulejic: The FEC has been criticized for passing laws that have little reason for being passed and are not very appropriate, so that they may be put into practice, because, allegedly, the situation is not realistically different. Recently, you concluded that the economic structure of Macedonia, Montenegro, and the Socialist Autonomous Province of Kosovo is such that they would not be able to withstand the introduction of financial discipline. Does this mean this law will be drawn up in such a way that it is applicable to these, or will they be exceptions and the law fixed?

Mikulic: Systemic laws will be valid equally for everyone. So that the economy in the SR of Montenegro, the SR of Macedonia, and the Socialist Autonomous Province of Kosovo would be able to bear what these systemic laws require, we have proposed measures for the financial consolidation of the economy and banks in these sociopolitical communities.

Djulejic: The economy is expecting, in particular, what we call a stimulus. A clean account is being introduced here. What is it that will be stimulated next year according to the FEC's intentions.

Mikulic: We have decided to incorporate the stimulative measures announced in June and July into the resolution. This part, which we adopted in June and July, relates to the stimulation of production for export, exports, and agricultural production, and other things. This we will not change. We propose that this remain stable. Furthermore, in the draft resolution -- which will only be completed tomorrow -- we will incorporate in the final version a whole series of stimulative elements. They will include the tax system.

Djulejic: Do you envisage changes in the financing of the federation? This is where most difficulties arise in giving money. This is where the republics have been most in dispute.

Mikulic: We have had initial discussions on making an important reduction in the economic burden on the basis of financing not only the federation, but also the republics, provinces, and even the municipalities, so that they would not have to resort to the planning or programmed growth of prices and inflation. Instead, we are taking as a basis, consumption in the fourth quarter of this year in order to proceed towards refraining from general and common consumption. In this way, we would avoid (?deflation). If we were to apply the model used up to now, then we would be heralding inflation. This is one thing. Another is that we will probably propose that next year the federation be financed so that the overall amount of the basic turnover tax would be a revenue of the federation budget. Also, we have here revenue from customs, duties and federal taxes and we would introduce the contribution from the republics and provinces only in case there were a crisis in carrying out the federation budget. Furthermore, we have already decided to propose changes in the financing of the Yugoslav People's Army. This will be decided upon in the debate on constitutional changes. In this way, we are making the financing of the Yugoslav People's Army stable.

Djulejic: I gather from what you just said that we want to opt more toward turning to our workers abroad, and to use the potential that there is.

Mikulic: I do not know about those calculations. I am, therefore, unable to comment on them. As for myself, I said this at the FEC and in the corresponding organs of the FEC, the matter is being dealt with. We will be proposing that by using the foreign funds being offered to us on favorable terms, we complete the Brotherhood and Unity Highway from the north to the south and modernize the main railway line from north to south. Presently we are expecting that there will be problems in this phase because neither the highway nor the railway pass through all of our republics and provinces; but I hope that we will overcome this. The FEC will insist on this because we have a manifold interest. In any case, we should begin to work on something like this. Furthermore, we will do this with dinar funds and the foreign exchange funds obtained on favorable terms can be used for repairing the term structure of our debts and for enabling our organizations of associated labor to use these funds for their technological development, naturally, in a Yugoslav competition, one for those organizations of associated labor capable of repaying these credits out of their own foreign exchange inflow and bearing in mind foreign exchange differences. I hope that we will soon be proposing this.

Djulejic: Comrade President, how many sessions do you usually hold each week?

Mikulic: I am not a statistician!

Djulejic: I heard that recently you have been having very many sessions.

Mikulic: We have two this week, tomorrow and on Saturday. If we can skip Sunday, that is fine. We have one on Monday.

Djulejic: Comrade President, do you have time to give a few of your thoughts about Yugoslavia? How will we enter the 21st century? As it is, we are lagging quite a bit in relation to other countries.

Mikulic: Our general situation is such that we do not have many possibilities for this, but we have not ignored it. We are preparing an energy policy development strategy to the year 2000, the development of tourism, the development of communications, and small-scale business. So we are, nevertheless, giving thought to these long-term goals.

Djulejic: There has been a lot of talk recently that we are going for nuclear energy. However, now there has been something of a slow down. A few days ago it was said that uranium would be the first raw material to run out. What is the position with our nuclear power stations?

Mikulic: In keeping with the conclusions of the SFRY Presidency, this question will be looked into in connection with work on a strategy for developing energy policy up to the year 2000. We are conducting serious discussions on these questions within the FEC commission for nuclear energy. This is a very highly qualified commission, apart from some of us who are there by virtue of our function. This is being given very serious consideration. We will look into all aspects of this question and then go to the public with all the options about which we believe the Yugoslav public should make its views felt.

Djulejic: Some believe that we could postpone this by better using our hydroelectric potential.

Mikulic: We will look into everything. I would like to say that there are alternative options with regard to consumption.

Excuse me for asking a few questions in an area that has always been considered strictly confidential. May we begin with what is known. Recently it was decided that there are to be no foreign exchange credits. Some people think this is not good.

Mikulic: We in the FEC believe that dinar credits should be made available on the basis of the sale of foreign exchange and these credits may presently be obtained for housing construction. We believe that they should be made available for the development of small-scale businesses, but speculation on this basis should also be prevented. There are cases of people selling DM 10,000 and obtaining three times this value in dinars and then with this, buying a further DM 10,000, investing it in the bank and using the remainder of the money to indulge in speculation. This is impermissible!

Djulejic: It occasionally happens that there is news going around that foreign exchange accounts will be nationalized. There was renewed talk about this recently. It is believed that you are in a position of most authority.

Mikulic: I state categorically, no!

Djulejic: But there is another problem. You have proposed and begun to open duty-free shops where things can be bought for foreign currency. This time foreigners, too, are also up in arms.

Mikulic: Sales in shops in the border regions of Yugoslavia are declining. Our citizens and foreigners purchase more in duty-free shops. If we were to allow citizens of Yugoslavia who have foreign exchange funds to make purchases in these shops, we would greatly increase the influx of foreign currency and in addition this would have the effect of reducing the so-called private clearing.

Djulejic: Will you allow it?

Mikulic: I hope that we will propose it. We have not discussed this in the FEC, but I personally am in favor of it.

Djulejic: Some assert that duty-free shops are the most profitable shops.

Mikulic: They are certainly profitable.

Djulejic: Our people are accustomed to travel. However, there are rumours of the deposit being reintroduced. To what extent is this information true?

Mikulic: It is not true! We are not thinking of introducing deposits! This is a "hoax," probably from abroad because they have an interest in our people leaving their foreign exchange funds there. It succeeded. You saw it on the television program. This set me thinking that something should be done about this, but we will not introduce the deposit upon departure from the country.

Djulejic: Were we to have agreed in Yugoslavia to build a divided highway on the Brotherhood and Unity Highway, some claim that this would have brought us more foreign exchange than all tourism. Will we finally reach an agreement on this?

A serious debate should be opened up as to what our development program after the year 2000 is to be. Presently we are working on an expert evaluation, on an analysis of the offers, and on the basis of tenders, and this will be completed by spring. This is very useful for us. The decision to start building nuclear power stations will not be made without serious consideration.

Djulejic: Let us mention Eureka. People are making a program and negotiating while we are merely negotiating.

Mikulic: This is not a problem solely on our side. Eureka is closed to us. We are endeavoring to become involved in the Eureka program and the whole complex of the program. We are interested in our organizations and institutions becoming involved on an organized basis and together, in these programs with the corresponding partners, along with individual developing countries which have gone a very long way in this, like India, China, Brazil, Argentina, and some others. In this connection, we are conducting talks with partners abroad. There will be discussion of this when we adopt a technological development strategy. This is being worked on, this aspect of the question.

Djulejic: Comrade President, everything you discuss in the FEC we learn about from communiques. The sessions are mainly closed. At the first session, you requested that if someone establishes that you from Bosnia-Herzegovina are working on this line, you would at that moment resign and if other people do this, that they would likewise resign.

Mikulic: First, I stick to this statement. Second, the FEC works as one united team. If I were to form tomorrow a fresh FEC, I would propose exactly the same kind of composition.

Djulejic: Comrade President, I have no further questions. Do you wish to say anything else, to convey a message?

Mikulic: Our situation is difficult, serious and complex. Yugoslavia, however, has the strength to get out of these difficulties. We need much more unity, much more self-confidence, much more reliance on our own forces. Our possibilities are not small. They are respectable. They are to be found in the capacities built up, in scientific potential, in the qualification structure of our workers, and in our self-managing system.

We should not be carried away by false hopes of being able to emerge rapidly from this situation. The Yugoslav economy is burdened by many losses. It is estimated that in the losses, uncovered exchange rate differences, in various securities and unsubstantiated amounts, we have over 40 percent of the social product, i.e. over 4 billion dinars. This is a very serious burden. There is also a large lack of funds for the working needs of the economy. We must solve this problem.

It is necessary to establish what the economy can bear and in what time-scale. I believe that we will master this problem through unity, intelligent moves, by our resoluteness and our greater association. In the past we have had great difficulties. We should not be under the illusion that the state alone and state measures can save us. This requires the involvement of all creative forces in Yugoslavia, and state measures should create generally favorable conditions for this.

I therefore believe that we will find a way out of this situation but we should not be under the illusion that we can achieve this rapidly. The existing doubts are so serious that they cannot be quickly overcome.

If, for example, losses occur in an organization of associated labor within a composite organization of associated labor, then it is occupied with them for 1 or 2 years. I do not want to imply here that we cannot achieve good results next year or in 1988. Next year we will have, I believe, a better situation.

Djulejic: Thank you Comrade President for participating in our program.

RESERVE OFFICERS' PERFORMANCE 'BELOW EXPECTATIONS'

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[Text] Stara Pazova, 28 Oct (TANJUG) -- The results achieved so far in implementing the SFRY Presidency's conclusions regarding the place and role of the Federation of Reserve Officers in the system of all-people's defense and social self-protection are considerably below expectations. This was stressed at today's session of the Presidium of the Federal Conference of the Reserve Officers' Federation which, in a critical and self-critical manner, examined the organization's activity in this sphere.

It was stressed both in Sreten Zaric's introductory report and the ensuing discussion that a large number of municipal and basic reserve officers' organizations have not yet received this important document, the SFRY Presidency's conclusions. Moreover, Asim Hadzic remarked that in some municipalities the document has either "been lost or misplaced."

The reasons for this state of affairs, he added, lie primarily in the organization itself. He therefore insisted that the way the conclusions are being implemented should be discussed again since they are of long-term value.

All this, however, did not divert attention from the notable results achieved in the military and professional training that the reserve officers receive in this country. According to the general view, most successful cooperation was enjoyed with the SFRY Armed Forces, especially with the Yugoslav People's Army, while least successful results were realized in the cooperation with the national defense secretariats and councils of socio-political communities. It was stressed that this "bottleneck" should promptly be resolved.

It was emphasized in the course of the discussion that in its conclusions, the SFRY Presidency attaches great importance to this organization which, it says, is of special social interest for the country's defence. We are still burdened by the view originating in the past that we are a closed organization that should not meddle into politics, Dusan Korac stressed. This liberalist and bureaucratic view is not valid anymore, he said, as the Reserve Officers' Federation is an organization that has been taking active part in efforts to resolve the country's major social issues.

Milivoje Kovacevic expressed concern over the slow pace at which the long-term program of economic stabilization is being implemented and over the continued escalation of nationalism in our country. He also expressed concern at the discord and bickering among the leaderships who, not infrequently, snipe at each other not only at meetings but also through the public information media. All this is to the detriment of the country's security, he said.